



Code of Ethical Business Conduct

Purpose

The purpose of this Code of Conduct is to establish the rules governing the business and ethical conduct of the officers and employees of W Machine Works Incorporated. It is important that ethical and lawful conduct be evidenced in all business practices, in order to protect the reputation of the organization and preserve community trust.

General Duties of Care

Each officer and employee of the company shall exercise the power and discharge the duties of his/her position honestly, in good faith, and in the best interests of W Machine Works, and shall comply with the applicable guidelines, policies and procedures of the company.

Confidentiality

Each officer and employee must use utmost care and discretion in the handling of confidential information and other information not normally available to the public, generally coming to them by reason of position or employment. Such information shall, subject to certain limited circumstances, not be disclosed to third parties and shall not be used for personal benefit or for the benefit of family, friends, or associates.

Conflicts of Interest

Each and every officer and employee has an obligation of loyalty to the company and should subordinate his/her personal interest when they conflict with or threaten to conflict with the best interests of the company. An officer or employee should not engage directly or indirectly, as a director, officer, employee, consultant, partner, agent or major shareholder in any business or undertaking that competes with, does business with or seeks to do business with W Machine Works. The only exception to this is where the express written approval is given by either the general manager (in the case of an employee) or by the president (in the case of an officer). To avoid conflicts of interest, officers and employees must do more than merely act within the law. They must conduct their affairs in such a manner that their performance will at all times bear public scrutiny. The appearance of conflict of interest as well as the conflict itself must be avoided.

Accepting Gifts

No officer or employee shall accept any gift, hospitality or favor offered or tendered by virtue of the official's position with W Machine Works, where the gift, hospitality or favor possesses any one of the following characteristics:

- (a) is in the substance or form such that an impartial observer would construe it to be an improper incentive;
- (b) places the official under an actual or implied obligation;
- (c) has a value equivalent to or greater than \$100.00;

The Reporting of Questionable or Fraudulent Actions

It is the responsibility of officers and employees to report to the president, their awareness of any situation which might adversely affect the reputation of the company. This would include any questionable, fraudulent or illegal events or material actions in violation of company policy which comes to their attention. If such events involve employees, the matter should be reported to the appropriate manager/officer; if the matter involves a manager/officer, the matter should be reported to the president.

Every officer and employee is expected to comply promptly with any request from internal and/or external auditors for assistance and to provide full disclosure of any situation under investigation.



DECLARATION OF ETHICAL CONDUCT

I, _____ Name _____, hereby acknowledge that I have carefully read and understood W Machine Work's Code of Ethical Business Conduct. I agree to faithfully abide by the terms of the Code of Conduct and to discharge my duties honestly and in good faith and in the best interests of the company. I will promptly and fully disclose any relationship, activity or personal financial interest that might impair or affect my judgment or influence my decisions. I understand that I will be in possession of sensitive information relating to the company, employees and possibly customers and vendors and I will treat such information as confidential and will not disclose it to third parties or use it for my own personal benefit or the benefit of any other person. I will use the utmost care and discretion in the handling of such confidential information.