

Code of Conduct



Preface by the Chairman of the Board of Directors

Ladies and gentlemen,
dear employees,

the Code of Conduct on hand constitutes an integral part of responsible corporate governance to which the SEZ Group has committed itself. It was approved of by the SEZ Group's Board of Directors and Management, and will be transmitted worldwide to all members of staff either by means of induction interviews or internal communication. It will be expected of all SEZ employees that they conduct themselves in accordance with these Guidelines and perform their tasks while invariably adhering to the SEZ Code of Conduct.

By the written Code of Conduct we seek to make public our strategy of implementing our responsibility as an enterprise. We regard the corporate culture, by which we have been living since the establishment of the SEZ Group, as useful and expected by all interest groups. Along with a satisfied staff it helps the company do justice to the high expectations of customers, of socially responsible investors and all demands placed on us by interest groups. Likewise, we demand of all our business partners to adhere to a minimum degree of ethical, social and environment-related principles. Accordingly, contracts with business partners are not signed unless these principles are observed.

The Management is responsible for the compliance with the Code of Conduct, however, we are fully aware that the collaboration and support through our staff is indispensable for the successful implementation of the Code of Conduct.

By adhering to, and wherever necessary, revising the SEZ Code of Conduct we are convinced that we will further consolidate our leading market position thus raising the value of our company.

We attach great importance to the compliance with the Code and are making sure that the challenge that serves the interests of all stakeholders is given appropriate significance within our corporate policy.

Yours sincerely

On behalf of the Board of Directors and the Management:

Egon Putzi

Chairman of the Board of Directors & Chief Executive Officer

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1. Summary

Compliance with the highest ethical standards of conduct and the strict observance of national and international law form the basis of SEZ's corporate policy.

The trust and confidence of our business partners, customers, shareholders, authorities and the public in a responsible and lawful conduct of all employees within the Group is of great significance for the reputation and success of our company. In this respect, a high level of social and ethical competence is being expected of all members of the staff. This Code of Conduct shall also apply for non-employees of SEZ as soon as they act by order of SEZ, no matter in what way. SEZ shall be obliged to inform and assist the people working in our Group accordingly.

These Guidelines outline not only the more general principles of conduct but also special behavioral standards in a number of sensitive areas. In view of the fact that responsible conduct in accordance with the law can be taken for granted, these Guidelines include no essentially new regulations but attempt to emphasize and illustrate the legal and ethical requirements as to the behavior of our employees in the performance of their tasks.

These Guidelines apply to all companies belonging to the SEZ Group. If rules of conduct are specified for individual areas or companies in separate guidelines, such guidelines shall apply without restriction in addition to this Code of Conduct.

“With the SEZ Code of Conduct we seek to create a climate in which people can make proper decisions right from the start.”

The SEZ Code of Conduct shall apply equally to all of the enterprise's staff, for the members of the Board of Directors and for any people representing the company in any given form (authorized persons, temporary workers, consultants). All of these categories of persons have the responsibility to follow the Principles of Conduct, to seek advice and support should any questions occur, and to report any violation of the Principles of Conduct should they learn of such. All involved categories of persons shall hereinafter be referred to as "employees".

Sabine Kampitsch, member of the Corporate Executive Board & CFO, was appointed BC Officer (Business Conduct Officer) of the SEZ Group.

2. Basic principles

Competence and responsibility of employees are a major prerequisite for the SEZ Group's success. Capacity for teamwork combined with flexibility contributes towards the promotion of creative performance. The quality of our products and the service provided to the customers, the keeping of our promises and the continual focus on future-oriented technologies and innovations create trust and confidence and thus "satisfied" customers. We put responsibility towards mankind and nature in the center of our attention. SEZ attaches great importance to a genuinely applied environmental policy.

All of these qualities are reflected in the SEZ teamwork principles that are borne by each individual employee.

This Code of Conduct is unable to be exhaustive in its representation of the legal requirements with regard to the conduct of employees. It is expected of each employee to turn to the BC Officer individually for advice and assistance in the event of any legal doubts concerning his or her own conduct or by reference to any legally doubtful occurrences in their working environment. Openness and

trust are of particular significance - especially in cases, which could result in damage to the company.

3. Staff policy

“Our employees are the capital of our company”

SEZ employees should be able to pursue their work in a friendly working atmosphere in order to be well prepared for their daily challenges. This means that during their work they are to promote and respect corporate values, commit themselves to teamwork and assume responsibility.

The company strives to provide secure and healthy jobs for all employees, to ensure appropriate compensation for their performance and pay special attention to equal opportunities. The assessment of performance may be based on professional work only.

The SEZ Group makes every effort to encourage each employee in his or her personal and professional development, and to ensure a balanced degree of professional and private life.

4. Safety and environmental protection

The avoidance and reliable control of risks to other people and the environment constitute an essential part of responsible conduct. This applies to every business area of our company.

Compliance with safety regulations is absolutely essential, regardless of whether they are required by law, issued by the responsible authorities or governed by corporate guidelines. Security regulations are to be applied rigorously at all times by all employees - not only in your own interest, but also in the interest of your colleagues and the company as a whole.

Each employee shares the joint responsibility for the safety in his or her working environment. Each employee has to be thoroughly instructed and trained.

Active collaboration and awareness of risks are also expected of employees. Employees should immediately report any risks, whether already identified or considered as potential, to the responsible employees.

For us environmentally conscious behavior is not only an entrepreneurial obligation, but also an important requirement for maintaining our competitiveness and raising the value of our company.

Strict approval standards apply for the erection and operation of equipment serving the wet-chemical treatment of wafers. All requirements laid out in the operation license have to be rigorously observed and are regularly monitored as to their degree of compliance.

Handling polluting materials and products is governed by rigorous internal requirements. If substances are nonetheless released, or if accidents occur, the persons in the company responsible for environmental protection and safety must be notified immediately.

The SEZ Group expects of its suppliers compliance with the same standards that are applied to SEZ, and takes this into account in the selection and regular assessment of its suppliers. Likewise, we demand of our suppliers to do without raw materials whose acquisition represents a violation against human rights, animal protection or environmental protection.

5. Relations to stakeholders (corruption and granting advantages)

Our company persuades through the quality of the offered products and services and its customer support. No personal advantages may be requested, accepted, offered or granted for a preferential treatment in connection with the negotiation, placement or execution of an order. As a rule, no personal advantages may be offered or granted to officials, including officials from foreign countries. As a rule, no gifts may be distributed or accepted. Exceptions apply only with normal exchanges of occasional or advertising gifts and with gifts that are common to custom and courtesy in a country.

An employee, who is faced with such an offer or request, must report this to the BC Officer immediately.

Relations with customers:

Professional and friendly support forms the basis of our customer relations. All products must comply precisely with the specifications laid down in the contract, and all assessment and quality assurance steps must be followed. Every modification of the contract must be requested from the customer beforehand in writing, and must be approved of by an authorized representative of the customer.

Relations with suppliers:

Helpful, friendly and professional business relations are of superior significance to every enterprise. While we maintain such relations with our suppliers, we must ensure an objective and efficient procurement process at the same time.

Any kind of financial participation in one of SEZ's suppliers or a company intending to become such a supplier is subject to reporting.

6. Conflict of interests

Each SEZ employee holds a position of trust. Situations in which either personal or financial interests of employees or on the part of their immediate family are in conflict with the duties of SEZ must be reported to the BC Officer. This applies in particular to the acceptance of functions in or for a company which maintains a business relationship with SEZ or which is or could be in competition with SEZ.

Conflicts of interests between the official duties of employees and their personal interests are to be avoided. Conduct in the private area, which may adversely affect the interests of the company, should also be avoided.

Private activities in social or welfare institutions are welcomed by SEZ, but they may not impair the performance of official duties or responsibilities. An employee should not refer to his function in the company in connection with private expressions of opinions in public.

7. Insider law

Insider law prohibits the exploitation of insider information in order to achieve direct or indirect personal gain by the purchase or sale of securities or the unauthorized transmission of such information. Insider information refers to company-related facts, which are not generally known and knowledge of which may exert a material influence on the price of the company's securities and which are therefore important for investors when deciding whether or not to buy or sell a particular security. This may, for example, refer to proposed acquisitions, strategic alliances, financial results, new products or problems with products or major contracts.

Employees who possess such insider information on SEZ or on other companies with whom SEZ is considering a major transaction are not allowed to purchase or sell their shares (or derivatives) and must not pass on this information to third parties. This shall apply until the information is no longer relevant or until the information becomes public knowledge.

In connection with stock option plans insider trading agreements have to be signed, which ensure that, inter alia, beneficiaries may only purchase or sell nominal shares of the company within a period of 45 days following the publication of the annual, half-year and quarterly financial statements provided there is no decision to the contrary issued by the company's Board of Directors. Prohibited insider business may lead to serious legal consequences.

8. Human rights

The SEZ Group is committed to the compliance with human rights: Protection from discrimination, for example, on account of race, color of skin, religious beliefs, nationality, ethnic origin, sex, age, marital status, disablement, adherence to a national minority, political orientation or any other status. The SEZ Group also respects the freedom to participate in peaceful gatherings, free expression of opinion and the freedom of thought and religion. We are opposed to any kind of child labor or forced labor and working conditions that offend against international law and common decency.

9. Company resources (corporate property and business secrets)

Information:

Business secrets and other confidential information must be treated strictly confidentially and must be protected from onward transmission to unauthorized persons. Any employees who have access to business secrets and confidential information relating to SEZ or any affiliated companies must not pass the aforesaid on to third parties (these also include members of the family and friends), nor should they use the aforesaid for any other non-business purposes.

Documents:

In dealings with electronic information, care should be taken that computers are protected by issuing and regularly changing passwords.

In the preparation of a document it should be taken into consideration that any written piece of paper and every data carrier could fall into the hands of a competitor or a judicial opponent in the worst possible case and could then be used against our company.

Property:

Devices belonging to the company such as e.g. telephones, fax machines and computers must never be used for disruptive purposes or for transmitting messages that could be considered offensive or could violate the corporate principles in any other way.

Reporting requirements for corporate property comprise the adherence to corporate rules on the use, maintenance, and, if necessary, correct disposal of relevant objects. Unauthorized removal of corporate property can under certain circumstances be interpreted as theft.

Employees must treat resources belonging to potential or existing customers or suppliers with the same respect. Customers' property may only be used for the purposes stipulated in the relevant contract provisions.

Expenditures:

SEZ shall refund to an appropriate extent any expenses incurred by employees during their work. Such expenses must be approved of by the company and documented appropriately. Statements of charges must be correct and be immediately submitted and any expenses relating to business conferences or meetings with customers or suppliers must be given particular attention.

10. Implementation and compliance with the Code of Conduct

Each employee must support this Code of Conduct and inform the BC Officer in the event of the occurrence of any questions or breaches relating to this Code. In case of doubt the BC Officer must conduct or arrange for a fair and thorough examination.

Any breaches of the law or breaches of this Code of Conduct will not be tolerated. Such breaches may result in warning notices, in the enforcement of compensation claims or in the termination of the employment. Employees who report breaches of this Code of Conduct need not expect any resulting disadvantages at their workplace.

Zurich, November 2003