

Regulation on conduct in business relationships

Preamble

The integrity and good reputation of a company are crucial competitive advantages. As a corporate group operating on a global scale, the Rieter Group (hereinafter referred to as Rieter) not only complies with the relevant local laws and regulations, it also cultivates business relationships with all its partners which are based on the principle of trust and honesty.

Rieter is committed to business founded on responsible actions and behaviors in all countries in which it operates. Its global operations are consistent with the UN Declaration on Human Rights and endorse the International Labor Organization's fundamental conventions and the guidelines of the Organization for Economic Cooperation and Development (OECD) for multinational companies.

This regulation on conduct in business relationships (hereinafter "the Code") applies to all officers and employees of companies under the management control of Rieter. Consultants, agents or subcontractors shall be encouraged to respect the Code in a suitable way while doing business with Rieter. Rieter will seek to do business with companies that adopt provisions consistent with this Code.

1. Business ethics

Rieter adheres to the principle of good corporate citizenship. All officers and employees of Rieter must comply with the local laws of the various countries in which Rieter does business.

All officers and employees of Rieter must refrain from actions which could be harmful to the confidence of our business partners and the public vis-à-vis Rieter. In particular, corrupt and immoral actions are prohibited. Officers and employees shall not authorize or make any bribe to an official of a government or to any third party for the purpose of obtaining, retaining or soliciting business or securing improper advantage.

All employees are obliged to adhere to antitrust and insider dealing legislation.

Rieter officers and employees may not accept or offer gifts or favors from and/or to suppliers, customers or other business partners. This excludes items of little value (less than 150 CHF or the equivalent in local currencies adjusted for purchasing power parity) or invitations to regular business events. Attendance at events lasting more than one day or requiring extensive travel at the invitation of the customer must be approved by the employee's superior.

Rieter officers and employees shall avoid situations which can lead to conflict between personal interest and the interest of Rieter.

Rieter officers and employees with interests in companies with which the Rieter companies maintain business relations must disclose their financial or other interest. All financial interests must be disclosed to the employee's superior and the Group Secretary, with the exception of companies listed on the stock exchange. Other interests which must be disclosed include all appointments, such as membership of boards of directors, advisory boards, etc., and all consultancy contracts. This disclosure requirement also applies to related family members, such as spouses, parents, children, brothers and sisters and their spouses.

Rieter respects the intellectual property rights of its business partners. Rieter employees shall keep proprietary information of the Rieter Group confidential.

2. Socially responsible working conditions (incl. health & safety)

Rieter respects the human rights of its employees and provides its employees with good, professional and safe conditions of work. Rieter recognizes the following labor principles throughout its global organization:

- **Child labor**

Rieter does not employ children. Age of employment should be in accordance with local law.

- **Forced labor and working hours**

Rieter does not accept any form of forced or mandatory labor and does not tolerate any kind of physically abusive disciplinary practices. Working hours should always be in accordance with applicable local law.

- **Harassment and discrimination**

Rieter does not tolerate any form of harassment and discrimination based on race, sex, religion, membership of unions or political parties, age, marital/parental status, pregnancy, national extraction or social origin, disability or sexual orientation. Employees must be judged on the basis of their ability to do the job and not on the basis of their personal characteristics, conditions or beliefs.

- **Freedom of association and collective bargaining**

Rieter recognizes the right of workers to associate freely, join labor unions, seek representation and bargain collectively, in accordance with local laws.

- **Compensation**

Rieter provides employees with compensation and benefits that comply with applicable laws.

- **Health and safety**

Healthy and safe places of work are important to Rieter. The Rieter companies have a comprehensive approach to health and safety management in order to achieve continuous performance improvement in this field.

- **Product safety**

Safety of Rieter's products for customers and their operating and maintenance personnel in all phases of the product life cycle is of great concern to Rieter. The Rieter companies and their business partners will work closely together in order to achieve continuous performance improvement in this field.

3. Environmental responsibility

Rieter is committed to conserving natural resources and demonstrate this in the choice of raw material, the optimization of material and energy consumption, and the systematic integration of environmental aspects in research and development, production, use and disposal.

In order to achieve the internal environmental objectives, Rieter works closely with suppliers and customers, and advises and supports them in their efforts, so that they all play their role in minimizing the environmental impact of Rieter's products for their entire service lives.

4. Implementation and controlling

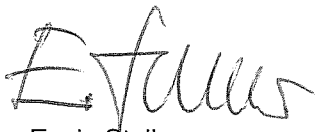
This Code must be observed by all officers and employees of Rieter. It is an integral component of the contract of employment and must be handed to new officers and employees when they commence their employment. Officers and employees who violate the Code are subject to disciplinary measures according to the local company rules, including the possibility of terminating the employment contract.

Rieter's Code of Conduct is also available on the Rieter website. Besides providing internal training with regard to the content of this Code of Conduct, regular internal checks regarding adherence to it will be performed.

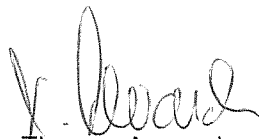
Queries or the discovery that these principles are being violated must be addressed to the Chairman of the Audit Committee, c/o Rieter Holding Ltd., Schlosstalstrasse 43, CH-8406 Winterthur. Employees asking questions or reporting violations of the Code shall not be subject to discrimination by their superiors.

Winterthur, June 11, 2010

Rieter Holding Ltd.



Erwin Stoller
Chairman of the Board



Thomas Anwander
Group Secretary