

SPIRAX-SARCO ENGINEERING GROUP BUSINESS CODE

1. INTRODUCTION

The reputation of the Group and its subsidiaries and the trust and confidence of those with whom it deals are of fundamental importance to the Group's business. This Code, which has been approved by the Board of Spirax-Sarco Engineering plc, sets out the Group's philosophy and policy on the operation of its steam and peristaltic pumping businesses. Detailed procedures, controls and senior manager certification will provide the means to achieve compliance with the Code throughout the Group and to achieve continuous improvement in the Group's performance.

2. POLICY

All Group companies will act within the laws and regulations applying to their business in any country taking appropriate professional advice to achieve compliance.

Companies will comply with general good practice in their territory and apply the internal controls and procedures established by the Group.

The Group will operate a comprehensive internal and external reporting system. The Group will meet applicable accounting standards. Employees are required to provide all material information to the auditor.

3. COMPLIANCE RESPONSIBILITY

The responsibility for compliance is with the directors and senior managers of the Group companies. The directors and managers shall exercise their duties to the best of their ability exercising all reasonable care, skill and diligence within the limits of authority laid down by the Company's policies and procedures. They will ensure appropriate communication of this Business Code and the internal controls and procedures established by the Group to employees in their companies. They will arrange for appropriate terms and conditions of employment of directors, managers and their employees to reflect the responsibilities and duties covered by this Code.

4. BUSINESS PRACTICES

In complying with the general policy of meeting good business practice companies shall operate in a manner designed to promote the long term success of the Company for the benefit of the Group as a whole, with a proper regard for the interest of customers, employees, shareholders and the communities in which they operate. In addition, companies must ensure that business decisions are taken in a manner that maintains and promotes the reputation of the Spirax-Sarco Group as having high standards of business conduct. Payment will be made for goods and services received in accordance with the contract of supply terms.

No discount, commission, benefit, entertainment or gift, other than those of up to a value approved by the Company, shall be accepted or offered by an employee in the course of business.

No employee of any company shall allow himself or herself to be placed in a position where there is a conflict of interest between his or her own personal interests and those of the Company or where there is a risk of such a conflict occurring. If any employee is concerned about a possible conflict of interest they should raise it with their manager who may, in turn, raise the matter with the Company Secretary.

5. EMPLOYEES

The Group supports and applies the principles of Human Rights.

Group companies are equal opportunities employers. All staff employed and all job applicants will be given equal opportunity in employment and training including equality in employment terms and benefits. All employees shall be treated fairly.

Employees will be provided with appropriate terms and conditions of employment including confidentiality of Company information. Directors and managers shall ensure that there is no conflict of interest between the Company's business and any other allowed external activities of directors, managers or employees and that the Company's resources are properly applied for the Company's benefit.

Communication with employees will include performance appraisal appropriate to the Company and again, where appropriate, consultation with employees or representatives of employees on relevant matters.

Employees shall not use confidential information obtained through their employment for personal gain.

6. HEALTH, SAFETY AND ENVIRONMENTAL MATTERS

The Company shall ensure compliance with statutory regulations and good practices with regard to health, safety and environmental matters.

7. MAINTAINING THE CODE'S STANDARDS

It is the responsibility of every employee to alert his or her manager of circumstances where the Group's performance can be improved or of any breaches of Group policies and procedures. If an employee in the SSE Group has reasonable grounds for believing that the Business Code/Management Code is being breached by any person or group of people and does not receive a satisfactory response or feel able to voice the matter with his or her manager, he or she should contact directly the Company Secretary in Cheltenham and provide full details. The Company Secretary will ensure that (a) the circumstances are properly investigated and (b) the employment of the person contacting the Company Secretary will be protected appropriately.

8. COMPETITION/ANTI-TRUST POLICY

It is the policy of the Spirax-Sarco Engineering plc Group that all companies within the Group comply fully with the laws and regulations of each territory in which the Group does business relating to anti-trust and competition laws and regulations.