

REKO INTERNATIONAL GROUP INC. CODE OF ETHICS AND BUSINESS CONDUCT

Introduction

This Code of Ethics and Business Conduct (“Code”) applies to all employees, officers and directors of Reko International Group Inc. and all its subsidiaries (collectively referred to as “employees”), including every one of its business units. Individual business units may add to the Code additional provisions necessary to comply with local legislation.

General Statement of Business Philosophy

Reko International Group Inc. is committed to:

- Complete customer satisfaction by complementing the customer’s business;
- High quality and continuous improvement;
- High standards of safety and housekeeping;
- A high tech environment for the metal cutting industry;
- Continuous education to ensure the intellectual and financial growth of each employee;
- Ongoing effort to be involved in the interests of the community.

The Code has been developed to assist employees and Reko to conduct its business in an open, honest, ethical and principled manner.

It is our desire to uphold ethical standards in all our corporate activities.

We do not knowingly support any public or private organization that espouses discriminatory policies or practices. We require all our employees to perform their work with honesty, truthfulness and integrity.

Reko International Group’s policy is to comply with all applicable laws, including, without limitation, employment, discrimination, health, safety, competition and securities laws. No employee has authority to violate any law or to direct another employee to violate any law on behalf of Reko International Group Inc.

Each employee must comply with this Code. Employees should direct any related questions to his or her immediate supervisor, a Human Resources representative, a member of the Audit Committee of the Board of Directors, the CEO or the CFO.

If an employee becomes aware that another employee has violated this Code or any applicable laws, rules or regulations, he or she must report the violation in accordance with procedures set forth in the applicable policies and procedures manuals. Reko International Group Inc. prohibits retaliation against an employee who, in good faith, reports a possible violation. Such retaliation,

in itself, constitutes a violation of this Code. Failure to comply with any of the provisions of this Code, or the existing policies and procedure manuals as they may be supplemented and amended from time to time, subjects the employee to disciplinary measures up to and including termination.

Waivers

The Audit Committee, at its sole discretion may choose to waive disciplinary action in response to non-compliance with the Code. Reko International Group Inc. promptly will disclose any such waivers granted to any of its executive officers, senior financial officers or directors as required under applicable law and regulations.

Gifts, Gratuities and Business Courtesies

Reko International Group Inc. is committed to competing solely on the merit of our products and services. We should avoid any actions that create a perception that favorable treatment of outside entities by Reko International Group Inc. was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Reko International Group Inc. does or may do business. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of Reko International Group Inc. or customers, or would cause embarrassment or reflect negatively on Reko International Group Inc.'s reputation.

Accepting Business Courtesies

Most business courtesies offered to us in the course of our employment are offered because of our positions at Reko International Group Inc. We should not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at Reko International Group Inc. to obtain business courtesies, and we shall never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and goodwill with the firms that Reko International Group Inc. maintains or may establish a business relationship with.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the Company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when Reko International Group Inc. is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Reko International Group Inc. business.

When in doubt, every employee should consult with his or her immediate supervisor, a Human Resources representative, a member of the Audit Committee of the Board of Directors, the CEO or the CFO before accepting a business courtesy.

Management overrides

Reko maintains a number of internal controls, systems and processes that manage the Company's resources. Each of these systems and processes has been designed to protect and safeguard the Company's assets, including its employees. The Company believes that it is inappropriate to override existing controls, systems and processes, except under exceptional circumstances approved by appropriate members of senior management.

On rare occasions, the Company may need to deviate from a developed internal control, system or process. Such deviation can only occur with the appropriate approval of management. On those rare occasions where an employee is asked by management to override a control, system or process, the employee is permitted to perform the management override but should ensure they keep appropriate records indicating what management override they were asked to perform, by whom and why they were told it was necessary to complete.

In the event an employee believes it is inappropriate to perform the management override, the employee should discuss the matter with the supervisor of the individual requesting the override, the CEO, CFO, a member of the Audit Committee of the Board of Directors, or use the Whistleblower hotline (see the Whistleblower Policy at www.rekointl.com) before completing the management override, or immediately thereafter as the situation dictates.

Confidential information and trade secrets

Reko collects and maintains both its and its customer's confidential information. Further, throughout all of its processes, Reko continually develops and modifies its trade secrets. As a result Reko is highly protective of both the confidential information and trade secrets in its possession. Release of this information to parties outside of Reko would create a significant loss to Reko.

Disclosure of trade secrets or confidential information to any other employer or person, including any customer of Reko, or any competitor of Reko, is considered to be a violation of the Code of Ethics and Business Conduct, regardless of whether it occurs during or post-employment.

"Trade secrets and or Confidential information" means:

- Trade secrets or special "know how" of Reko or information relating to Reko or any of its customers not generally known outside of Reko, including, information relating to:
 - inventions, discoveries, improvements, products and product specifications, processes, procedures, machines and technical data developed by or for Reko;
 - Reko's manufacturing costs, production capacities, prices and discounts;
 - financial information relating to Reko which is not publicly available;
 - Reko's plans, projects, present or future;
 - list of customers of Reko, details of contracts between Reko and its customers and Reko's business, marketing and pricing policies.

Annual sign-off

On January 1st of each year, the CEO, CFO, all General Managers, Program Managers, Sales Representatives, and all individuals employed in the Finance, Human Resources, Purchasing and IT departments will sign a declaration indicating that they have read the Code of Ethics, understand the Code of Ethics, have not engaged in an activity during the prior year which violated the Code of Ethics and will not engage in an activity in the next year which violates the Code of Ethics.