

Baird Private Equity Code-of-Conduct

Updated August 27, 2009

Overview –

Baird Private Equity, its majority-owned affiliated funds, majority-owned portfolio companies and operations affiliate, Baird Asia Limited (hereafter collectively known as “BPE”) are committed to operating with integrity and social responsibility. As such, BPE will conduct its operations in a manner that promotes these principles and will not knowingly invest in companies that violate this code-of-conduct or that knowingly have relationships with suppliers that violate this code-of-conduct. In addition, BPE will encourage minority-owned investee companies to comply with these standards / policies.

Further, Baird Asia Limited (“BAL”) has the responsibility to assist its portfolio companies in working with qualified suppliers in Asia. As such, BAL is committed to qualifying suppliers that adhere to this code-of-conduct and will not knowingly qualify suppliers for BPE portfolio companies that violate this code-of-conduct. BAL qualified suppliers signing this document are attesting that they comply with this code-of-conduct.

BPE and BAL will seek compliance with this policy internally and by all majority-owned portfolio companies. Compliance is ultimately the responsibility of each party.

Further, failure to comply with this code-of-conduct may result in disciplinary action. Disciplinary actions against suppliers may include disqualification or termination as a supplier.

Code-of-Conduct–

(applies to BPE and BAL qualified suppliers, which are referred to as “Suppliers” for purposes of the section that follows)

Gifts and Gratuities

Suppliers to BPE are not permitted to provide gifts to BPE personnel that are in violation of local law. Further, although giving gifts is acceptable in some cultures, BAL sourced suppliers are prohibited from providing BPE personnel with gifts.

Improper Payments

BPE / Suppliers are not permitted to make bribes, kickbacks and similar payments. Bribery and kickbacks are illegal and subject to criminal penalties in many countries, including the United States. This prohibition also applies in areas where such activity may not violate local law.

Forced Labor

BPE / Suppliers shall not use forced or involuntary labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise.

Child Labor

BPE / Suppliers are expected to comply with applicable local child labor laws and employ only workers who meet the applicable minimum legal age requirement for their location. In China, the minimum legal age is 16. In countries where there is an absence of local law, BPE / Suppliers shall not employ children under the age of 15.

Harassment or Abuse

BPE / Suppliers employees shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

Nondiscrimination

BPE / Suppliers shall not subject any person to discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.

Health and Safety

BPE / Suppliers shall provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of BPE portfolio companies and/or their suppliers' facilities.

Freedom of Association and Collective Bargaining

BPE / Suppliers shall recognize and respect the right of employees to freedom of association and collective bargaining where the local law confers such rights.

Wages and Benefits

BPE / Suppliers recognize that wages are essential to meeting employees' basic needs. As such, employers shall pay employees, as a floor, at least the minimum wage required by local law and shall provide legally mandated benefits.

Hours of Work

Except in extraordinary business circumstances, employees shall (i) not be required to work more than the lesser of 60 hours per week or hours allowed by the local law and (ii) be entitled to at least one day off in every seven day period.

Overtime Compensation

In addition to their compensation for regular hours of work, BPE / Suppliers shall pay hourly employees for overtime hours at such premium rate as is legally required by local law. In those countries where such laws do not exist, BPE / Suppliers must pay overtime compensation at a rate at least equal to their regular hourly compensation rate.

Foreign Contract or Migrant Employees

If BPE / Suppliers use foreign contract or migrant workers, such workers are to be employed in full compliance with the labor and immigration laws of the host country. The contract terms under which foreign contract or migrant workers are employed are to be in writing, in the language of the workers' home country or in a language the workers understand, and accepted by the workers prior to their departure from their home countries or home provinces.

Recruitment Fees

Recruitment Fees, if any, are to be paid by BPE / Suppliers. Under no circumstances are these fees to be deducted later or withheld from the workers' wages by employer, or otherwise passed on to the workers. Passports and other forms of personal identification shall remain in such workers' personal possession at all times and are never to be withheld by BPE / Suppliers.

Environmental Standards

BPE / Suppliers must dispose of all hazardous materials and chemicals in accordance with the applicable local laws. In the event hazardous or polluting materials are discharged improperly, entities must notify the appropriate authorities and take immediate remedial actions.

In addition to the above policies, BPE are further subject to the following FCPA and OFAC restrictions. BAL qualified suppliers not subject to US law are, thereby, not subject to FCPA and OFAC restrictions:

Foreign Corrupt Practices Act

BPE is expected to comply with the United States Foreign Corrupt Practices Act (FCPA).

Prohibited Country Transactions

BPE is not permitted to engage, directly or indirectly, in trade or financial transactions into jurisdictions publicized by the Office of Foreign Assets Control (OFAC), United States Department of the Treasury, which would be in violation of the specific sanctions against those countries.

In addition, restrictions exist with respect to certain individuals or organizations associated with weapons and narcotic trafficking and / or terrorism activities. An overview of all these restrictions along with links to detailed information may be accessed by clicking [here](#).

At the time of this policy revision, the specific restricted jurisdictions are as follows:

- [Balkans](#)
- [Belarus](#)
- [Burma / Myanmar](#)
- [Cuba](#)
- [Democratic Republic of Congo](#)
- [Iran](#)
- [Iraq](#)
- [Ivory Coast](#)
- [Liberia](#)
- [North Korea](#)
- [Sudan](#)
- [Syria](#)
- [Zimbabwe](#)

BPE is expected to comply with the sanctions requirements currently in effect under the OFAC and have the responsibility of keeping current on changes to restricted jurisdictions. BPE can provide further information on the provisions of the OFAC upon request.

ACKNOWLEDGMENT OF RECEIPT OF AND COMPLIANCE WITH THE BAIRD PRIVATE EQUITY CODE-OF-CONDUCT

The following authorized executive acknowledges that he / she has received and read the Baird Private Equity Code-of-conduct. The party below, as an officer of and on behalf of the applicable party, further attests that, to their knowledge, they are in compliance with the Baird Private Equity Code-of-conduct.

Company:	
Name:	
Title:	
Signature:	

OFAC Confirmation (BPE Portfolio Companies Only)

As an officer of a BPE portfolio company, I confirm that, to my knowledge, our Company does not directly or indirectly do business with any jurisdictions prohibited by the OFAC, with the exception of (please list and describe business transactions, including details of the size, nature and frequency of these transactions, with prohibited countries – use an attached sheet as necessary):

Company:	
Name:	
Title:	
Signature:	