A man in a dark suit stands with his hands on his hips, looking out over a vast, green, winding maze under a bright blue sky with white clouds. A large, semi-transparent white circle is overlaid on the left side of the image, containing the title text.

Mission Statement and Code of Conduct of the PAGO Group



1. Introduction

In its Mission Statement Pago Holding AG describes the strategy and purpose of its action. It goes on to answer questions such as “What is the corporate purpose?” or “What values do we propose to create and for whom?”

In its Code of Conduct Pago Holding AG describes the principles by which it intends to be guided in the implementation of its Mission Statement. The Code of Conduct contains clearly stated and verifiable ethical principles which must be respected under all circumstances in the pursuit of its goals of success.

Pago Holding AG rates compliance with the Code of Conduct higher than the achievement of profits.

Principles applicable to all the member companies of the Pago Group¹ are set out in the Mission Statement and Code of Conduct of Pago Holding AG. These can be defined in further detail and supplemented by the individual companies or business units, but must not under any circumstances conflict with these overriding documents.

¹ Pago Group: All companies which are consolidated within the group account statements, i.e. companies in which Pago Holding AG controls a majority of shares, either directly or indirectly.

In the deployment of our core expertise, the PAGO Group takes account of the legitimate demands of interest circles.

2. Mission Statement

The core expertise of the Pago Group consists in performing labelling tasks:


- We position our clients'² products strongly at the point of sale through attractive product decoration.
- We serve the customers of our clients with the best possible product information and function.
- We strengthen our clients' production through dependable and efficient labelling technology.
- We strengthen our clients' logistics from procurement via production to distribution through the best possible marking in the goods flow.

The Pago Group is orientated to performance leadership. That is why the value added processes at the Pago Group must be optimised in terms of innovation and quality. This optimisation is guided by the framework of the provision of economic services and presupposes a result-focussed acceptance of responsibility at every level.

In the deployment of our core expertise, we take account of the legitimate demands of interested circles and also to define the expectations which we place in them:

- Our clients receive high grade products at a fair price. We do not use the term product to denote the label or the system but rather the comprehensive service, ranging from advice to conclusion and servicing of a project. We expect good long-term cooperation and fair compensation for our services on the part of our clients.
- Our staff are provided with the working environment designed to meet their needs and abilities and enjoy a high level of job security. We expect our staff to show a sense of initiative, commitment and to make a positive contribution to our business climate.
- Our family shareholders and other capital providers receive remuneration on their capital appropriate to the risk taken. The family

² So as not to make the text more cumbersome, all persons are designated by the male gender; this is used as a short form to denote both genders.



We deal responsibly
with our society
and environment.

shareholders have a relationship with “their” business which is a source of pleasure. We expect the capital providers to refrain from maximizing their profits to the detriment of the other stakeholders.

- We deal responsibly with our society and environment. In other words:
 - we acknowledge our shared responsibility for shaping the political framework and a stable society;
 - we wish to look after our environment well enough for future generations to enjoy at least the same quality of life as we do today;
 - we set some of our corporate profit aside for the needy and weak and to promote Christian values in society.

We expect society to provide us with good background conditions for long-term entrepreneurial development and support with the implementation of our Mission Statement.

We advocate business practices which are typified by honesty, uprightness, credibility and sense of responsibility.



3. Code of conduct

In the Code of Conduct we set down values which guide our behaviour. The values and the principles based upon them show the conditions under which the Pago Group proposes to perform its tasks. This Code of Conduct is therefore a guide and a signpost for all staff of the Pago Group to perform their work in compliance with ethically impeccable business practice. The Code does not govern every conceivable situation and circumstance. However, this does not mean that unethical conduct to which no concrete reference is made might be permitted.

3.1 Basic values

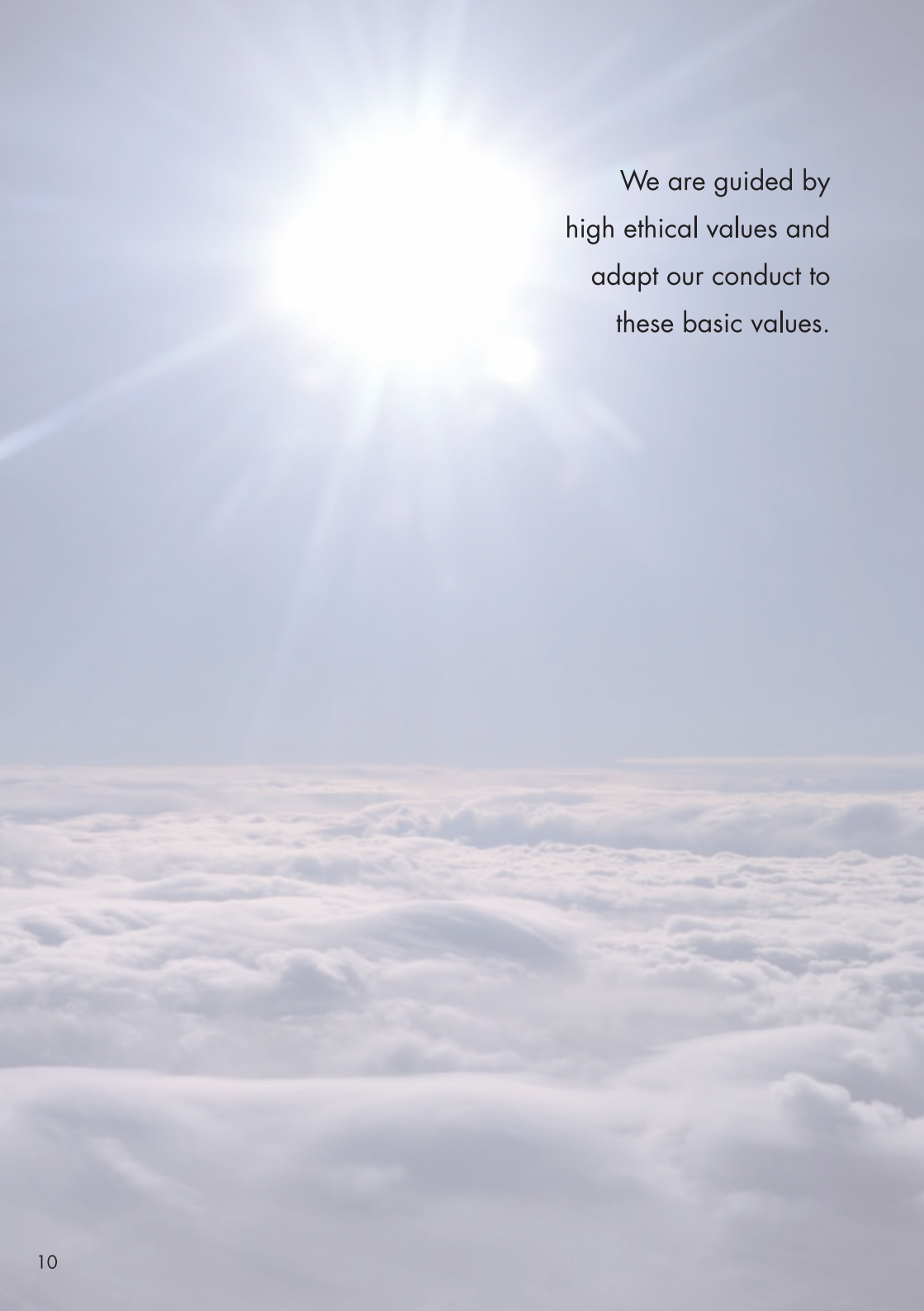
The Constitution of the Swiss State begins with the affirmation "In the name of almighty God". The Board of Directors, as the strategic corporate management body, wishes to place the activity of the Pago Group in that framework. In other words, God is the supreme being and we are ultimately responsible to Him for our own action. That is why the fundamental values of the Pago Group are guided by the Christian values to which the Bible testifies.

Credibility: We advocate business practices which are typified by honesty, uprightness, credibility and a sense of responsibility. This also involves the correct handling of confidential information.

Fairness: In our action in relation to all interested and concerned parties we seek to avoid injustice and to act appropriately. In particular, this means that we respect human dignity in all relations and create a working environment free from discrimination and harassment. This involves, for instance, a refusal of child labour and the payment of appropriate remuneration.

Professional standard: Our task is to create high added value for our clients. We achieve this by knowing our clients, being innovative, showing soundly based expertise and providing outstanding service. Even in critical situations we act in an appropriate and fully controlled manner in relation to all interested and concerned parties. Professionalism is assured by an exemplary management and promoted by effective further training.

Transparency: We maintain a constructive and open dialogue with all interested and concerned parties. This is characterised by the fact that we

A bright sun is positioned in the upper left quadrant of the image, casting a strong, multi-pointed starburst of light across the sky. The sky is a clear, pale blue. Below the horizon line, which is roughly in the middle of the frame, there is a vast, undulating sea of white, fluffy clouds that stretch to the horizon. The clouds are illuminated from above, creating soft shadows and highlights that give them a three-dimensional appearance.

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have no concealed intentions and that our action is understandable to our partners.

Integrity: Our prestige is founded on our basic ethical values and our reputation. We are therefore guided in this regard by high ethical standards and adapt our conduct to these basic values. The profit motive can never be a justification for non-compliance with the applicable laws, failure to discharge our responsibility or taking inappropriate risks.

Humility: We respect people in every situation and take criticisms seriously. We assess our own performance with due regard to the contribution made by others.

These values are intended to define the cultural experience in the Pago Group. We understand the alignment of our corporate culture on these values as a process which involves many fields of tension. Here it is important for the Pago Group to create the conditions necessary for this culture to be made a daily reality.

3.2 Principles

We have listed below principles, which are intended to clearly define our basic values and assure their implementation:

Incorruptibility: Implementation of our basic values includes the refusal to accept any personal advantages on the basis of client or supplier relations or to grant any personal advantages to third parties with a view to influencing their business conduct. In this sensitive area of corruptibility, corruption and personal advantage, we naturally comply with all the applicable regulations and refrain from doing anything which might be in conflict with Christian values.

Conflicts of interest: All staff and shareholders of the Pago Group avoid situations which might lead to conflicts between personal interests and those of the Pago Group. Staff who have their own interests or whose immediate family members have interests in firms with which member companies of the Pago Group maintain business relations must disclose these interests (except in the case of companies listed on

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the stock market). Notification is made to the group management secretariat.

Clients: Our clients are the essential capital of the Pago Group. We therefore undertake not to disappoint the confidence which our clients place in us; we endeavour to achieve the highest possible client satisfaction. Nevertheless, we are self-assured and dependable in dealing with clients and do not avoid an open examination of critical issues with them. Our client relations are typified above all by values of professionalism and integrity. Respect for all our basic values matters more than the maintenance of a client relationship, however important this may be.

Personnel: Our personnel are the key resource of the Pago Group. The Pago Group is therefore determined to recruit and retain well qualified staff. Particular attention is given to staff training and motivation. Allowance is made for their individual strengths and weaknesses and their contribution to the team as a whole. The Pago Group management endeavours to create and maintain a constructive and agreeable business climate which is conducive to good performance. Remuneration for staff is based, in particular, on the principle of fairness, having regard to the individual performance contribution and the market circumstances. The Pago Group expects its staff to perform professional work, show dedication to the well-being of the company and personal initiative in the development of their own and professional aptitudes.

Capital providers: One main goal of the Pago Group is to increase the value of its shareholders' investments by pursuing a business policy which ensures a sustainable and appropriate yield for shareholders and safeguards the value of their investment. This includes responsible use of the money entrusted to us, reflected in respect for the material and intangible values of the company.

Public/Society: The Pago Group and its representatives comply stringently with the applicable laws and regulations and respect accepted practices if they are not incompatible with the values set out here.

Other interested and concerned parties: We respect this Code of Conduct in all our relationships and avoid cooperation with business partners or third parties whose standards and conduct are not compatible with our own Code of Conduct.

3.3 Assurance of implementation

All staff members are familiar with this Code of Conduct and all the instructions and procedures related to their function. The provisions of this Code of Conduct are designed to ensure that nothing is done which is incompatible with local laws or guidelines and that every effort is made to avoid conflicts. Any breach is regarded as a serious offence; a lack of knowledge of the requirements does not excuse failure to comply.

Communication: The members of the Board of Directors and Management are responsible for ensuring that this Code of Conduct is stringently respected within the Pago Group and that the value system is made known to new staff members. If an employee is uncertain how to deal correctly with a particular situation, he must seek advice from his superior or, in case of doubt, from the business unit manager.

Reporting breaches: If Pago Group staff become aware of a breach of laws, internal or external regulations – included in this Code of Conduct – they must notify their superiors or refer the matter to the business unit manager. The superior who is informed will safeguard the confidentiality of the information provider as far as possible.

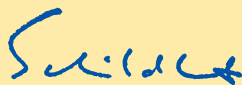
Disciplinary measures: Breaches are to be dealt with appropriately. The head of the business unit decides on penalties to be imposed on persons who are at fault and informs the group management.

Updates: This Code and the conduct of the Pago Group are regularly reviewed to draw the benefit of experience with a view to further improvement of the Code.

Approved at the meeting of the Board of Directors of Pago Holding AG held on 27 October 2009.

On behalf of the Board of Directors:

The Chairman:



Dr. Markus Schildknecht

The Vice-Chairman:



Rodolfo Saluz