

CORPORATE GOVERNANCE

Ethics are vital to AZCON and its employees. AZCON is committed to the highest ethical standards and to conducting its business with the highest level of integrity. These values must drive our behavior as we aspire to earn and keep the respect of our employee shareholders, customers and vendors. An uncompromising adherence to ethical excellence is integral to creating and sustaining the necessary strong foundation on which AZCON's success is built and on which the Company can continue to grow and prosper.

Each AZCON employee is responsible for the consequences of his or her actions. We must each be honest and ethical in our personal and professional conduct as well as be a guardian of AZCON's high ethical standards. Leaders at AZCON have the extra responsibility of setting an example by their personal and professional performance and an attitude that conveys our ethical values. That example leads us to treat everyone - employees, customers, prospects, suppliers and competitors - with honesty and respect.

If you are unsure of the appropriate action, take advantage of our open door, informal environment and raise your concerns with management or, if you are still uncomfortable, follow the processes outlined in the Code of Business Conduct & Ethics section which follows.

Code of Business Conduct & Ethics

Applicability

This Code of Business Conduct and Ethics applies to the Company and all its employees. The word "employees" and references to you and yours used in this Code includes all employees and officers.

Business Conduct and Ethics

AZCON and each of its employees, wherever they may be located, must conduct their affairs with uncompromising honesty and integrity. Business ethics are no different than personal ethics. The same high standard applies to both. As an employee of AZCON, you are required to adhere to the highest standard of ethical conduct regardless of local custom. Employees are expected to be honest and ethical in dealing with each other, with customers, suppliers and all other third parties. Doing the right thing means doing it right every time.

Misconduct cannot be excused because it was directed or requested by another. In this regard, you are expected to alert management whenever an illegal, dishonest or unethical act is reasonably suspected. You will never be penalized for reporting your reasonable suspicions.

The following statements concern frequently raised business conduct and ethical concerns. A violation of the standards contained in this Code of Business Conduct & Ethics will result in corrective action, including possible dismissal.

Compliance with Laws

General

It is AZCON's policy to comply with all laws, rules and regulations that are applicable to its business, both in the United States and in other countries.

Employment Matters

It is AZCON's policy to comply with applicable employment laws, including those governing working conditions, wages, hours, benefits, and minimum age for employment. While employees and applicants for employment and advancement must be qualified and meet the job or position requirements established by AZCON, each person must be accorded equal opportunity to the full extent provided by law and without regard to race, color, religion, national origin, gender, sexual orientation, marital status, family responsibilities, age, disability or other characteristic protected by law. Each employee must respect the rights of fellow employees and third parties. Your actions must be free from libel, slander, harassment or any form of unlawful discrimination.

Environmental Matters

It is AZCON's policy to comply with all applicable laws and regulations for the protection of the environment. Each employee must abide by these laws and established environmental policies and procedures.

Fair Competition and Antitrust Laws

AZCON must comply with all applicable fair competition and antitrust laws. These laws attempt to ensure that businesses compete fairly and honestly and prohibit conduct seeking to reduce or restrain competition. If you are uncertain whether a contemplated action raises unfair competition or antitrust issues, the Corporate Office can assist you.

Conflicts of Interest

You must avoid any personal activity, investment or association which could appear to interfere with good judgment concerning AZCON's best interests. You may not exploit your position or relationship with AZCON for personal gain. You should avoid even the appearance of such a conflict. For example, there is a likely conflict of interest if you:

- cause AZCON to engage in business transactions with relatives or friends, or your family member takes actions or has interests that may make it difficult for you to perform your work for AZCON objectively and effectively;
- use nonpublic AZCON customer or supplier information for personal gain by you, relatives or friends (including securities transactions based on such information);
- have more than a modest financial interest in AZCON's suppliers, customers or competitors;

- receive a loan, or guarantee of obligations, from a third party as a result of your position at AZCON;
- compete, or prepare to compete, with AZCON while still employed by AZCON; or
- perform work (with or without compensation) for a competitor, governmental or regulatory entity, customer or supplier of AZCON, or do any work for a third party that may adversely affect your performance or judgment on the job or diminish your ability to devote the necessary time and attention to your duties.

There are other situations in which a conflict of interest may arise. If you have concerns about any situation, follow the steps outlined in the Section on “Reporting Ethical Violations”.

Business Opportunities

You are responsible for advancing AZCON’s business interests where the opportunity to do so arises. In addition to avoiding conflicts of interest, you must not take for yourself or divert to others any business opportunity or idea discovered in the course of employment in which AZCON might have an interest.

Gifts, Bribes and Kickbacks

Other than for modest gifts given or received in the normal course of business (including travel or entertainment) which could not be considered as business inducements, neither you nor your relatives may give gifts to, or receive gifts from, AZCON’s customers, suppliers or professional associations. Gifts should not be accepted from a supplier or potential supplier during, or in connection with, contract negotiations. Accepting cash or cash equivalents, including checks, money orders, vouchers, gift certificates, loans, stock or stock options, is not acceptable in any circumstances. Other gifts may be given or accepted only with prior approval of your senior management. In no event should you put AZCON or yourself in a position that would be embarrassing if the gift were made public.

Dealing with government employees is often different than dealing with private persons. Many governmental bodies strictly prohibit the receipt of any gratuities by their employees, including meals and entertainment. You must be aware of and strictly follow these prohibitions.

Any employee who pays or receives bribes or kickbacks will be immediately terminated and reported, as warranted, to the appropriate authorities. A kickback or bribe includes any item intended to improperly obtain favorable treatment.

International Operations

AZCON conducts its affairs consistent with the applicable laws and regulations of the countries where it conducts business. Business practices, customs and laws differ from country to country. When conflicts arise between AZCON’s ethical practices, and the practices, customs and laws of a country, AZCON seeks to resolve them consistent with its ethical beliefs. If the conflict cannot

be resolved consistent with its ethical beliefs, AZCON will not proceed with the proposed action giving rise to the conflict. These ethical standards reflect who we are and are the standards by which we choose to be judged.

AZCON also conducts its overseas business in accordance with applicable U.S. laws, including the Foreign Corrupt Practices Act (“FCPA”) which applies to business transactions both inside the U.S. and in other countries. FCPA requirements relate to accurate and complete financial books and records, transactions with foreign government officials and prohibitions from directly or indirectly offering to pay, or authorizing payment to, foreign government officials for the purpose of influencing the acts or decisions of foreign officials. Violation of the FCPA can bring severe penalties and it is mandatory that all employees living or working in a non-U.S. country become familiar with the FCPA and its requirements.

In addition, AZCON fully complies with all applicable U.S. laws governing imports, exports and the conduct of business with non-U.S. entities. These laws contain limitations on the types of products that may be imported into the United States and the manner of importation. They also place limitations or licensing requirements on the export of some products to certain countries and prohibit exports to, and most other transactions with, certain other countries as well as cooperation with or participation in foreign boycotts of countries that are not boycotted by the United States. If you would like detailed guidance on these laws and the countries to which they pertain, the Corporate Office can assist you.

Covering Up Mistakes; Falsifying Records

Mistakes should never be covered up, but should be immediately and fully disclosed and corrected. Falsification of any AZCON, customer or third-party record is prohibited.

Financial Integrity

Creditors and others have legitimate interests in AZCON’s financial and accounting information. The integrity of AZCON’s financial reporting and accounting records is based on the validity, accuracy and completeness of the basic information supporting the entries to AZCON’s books and records. All financial books, records and accounts must accurately reflect transactions and events and conform to generally accepted accounting principles and to AZCON’s system of internal controls. It is the responsibility of each employee to uphold these standards.

Employees are expected to cooperate fully with AZCON’s corporate accounting function and its external auditors. Information must not be falsified or concealed under any circumstances.

Examples of unethical financial or accounting practices include:

- Making materially false entries that intentionally hide or disguise the true nature of any transaction;
- Improperly accelerating or deferring the recording of expenses or revenues to achieve financial results or goals;

- Opening or maintaining any undisclosed or unrecorded funds, accounts or “off the book” assets;
- Establishing or maintaining improper, misleading, incomplete or fraudulent account documentation or financial reporting;
- Making any payment for purposes other than those described in documents supporting the payment;
- Submitting expense reports or time sheets which overstate or are inconsistent with the underlying transaction; and
- Signing any documents believed to be inaccurate or untruthful.

Use of Electronic Media and Communication Systems

AZCON uses various forms of electronic media and communication systems, including but not limited to computers, e-mail, telephones, voicemail, instant messaging, text, fax and the internet to facilitate and conduct company business. All such systems, including all software, databases, hardware, printouts, and digital files related thereto remain the sole property of AZCON. All messages and documents that are sent, received, composed and/or stored on these systems are the property of AZCON.

Messages on AZCON’s voicemail, email and other communication systems are subject to the same policies regarding harassment and discrimination as are any other workplace communications. Offensive, obscene, pornographic, harassing or discriminatory content in such messages will not be tolerated.

Employees who misuse electronic communications or engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, obscenity, harassment, or similar related or illegal actions, or any practice contrary to AZCON policy will be subject to discipline and/or termination.

Personal passwords may be used for purposes of security, but the use of a personal password does not affect AZCON’s ownership of the electronic information. AZCON reserves the right to override all personal passwords for any reason.

AZCON reserves the right to review electronic files, messages, mail, and other digital archives, and to monitor the use of electronic communications as necessary to ensure that no misuse or violation of AZCON policy or any law occurs.

Employees are not permitted to access the electronic communications of other employees or third parties unless directed by management.

Any information about the Company, its products or services, or other types of information that will appear in the electronic media about the Company must be approved by the President & CEO before the information is placed on an electronic information resource that is accessible to others.

Passwords

Generally, any files belonging to AZCON should not be password protected. If you feel it is necessary to do so, please provide your password to your immediate supervisor in the event you are absent and we need to retrieve these files.

Confidentiality and Proper Use of AZCON Customer or Supplier Information

You may not use or reveal to others AZCON, customer or supplier confidential or proprietary information, except as authorized by your senior management or as legally required. This includes business methods, pricing and marketing data, strategy, computer code, screens, forms, experimental research, and information about AZCON's current, former and prospective customers.

Record Retention

AZCON business records must be maintained for the periods specified in accordance with the specific policies of your business units. Records may be destroyed only at the expiration of the pertinent period. In no case may documents involved in a pending or threatened litigation, government inquiry or under subpoena or other information request be discarded or destroyed, regardless of the period specified in the applicable policy. In addition, you may never destroy, alter, or conceal with an improper purpose any record or otherwise impede any official proceedings either personally, in conjunction with, or by attempting to influence, another person.

Fair Dealing

No AZCON employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

Political Contributions

No company assets may be used for political contributions except in compliance with all applicable laws and with the consent of the AZCON President & CEO. You may, however, engage in political activity with your own resources on your own time.

Workplace Safety

AZCON is committed to providing safe and healthy work environments and to being an environmentally responsible corporate citizen. It is our policy to comply with all applicable environmental, safety and health laws and regulations.

It is the responsibility of each employee to comply with all company policies concerning violence, harassment and similar matters in the workplace and substance abuse.

We are dedicated to designing, constructing, maintaining and operating facilities that protect our people and physical resources. This includes providing and requiring the use of adequate protective equipment and measures and insisting that all work be done safely.

Reporting Ethical Violations

Your conduct can reinforce an ethical atmosphere and positively influence the conduct of fellow employees. If you have evidence of a material violation of this Code, you must report it.

To report questionable accounting or auditing matters, you should use the procedures established by the Audit Committee for the confidential, anonymous submission of concerns by employees, as described on AZCON's website at www.azconmetals.com under **Governance: Communications & Complaints – Policies & Procedures**.

To report any other type of ethics violations or misconduct, you should report it in the first instance to your Human Resources representative or to the appropriate level of management at your location.

If you are still concerned after speaking with your Human Resources representative and local management or feel uncomfortable speaking with them (for whatever reason), send a note with relevant documents, to AZCON, 121 Chessen Lane, Alton, IL 62002, Attention: President & CEO or call (618) 474-2617. If requested, your letters and telephone calls will be dealt with anonymously and confidentially. You may also communicate with the Corporate Office as described on AZCON's website at www.azconmetals.com under **Governance: Communications & Complaints – Policies & Procedures**.

You have AZCON's commitment that you will be protected from retaliation for reports made in good faith.

Conclusion

In the final analysis, you are the guardian of AZCON's high ethical standards. While there are no universal rules, when in doubt ask yourself:

- Will my actions be ethical in every respect and fully comply with the law and with AZCON policies?
- Will my actions have the appearance of impropriety?
- Will my actions be questioned by my supervisors, fellow employees, customers, family and the general public?

- Am I trying to fool anyone, including myself, as to the propriety of my actions?

If you are uncomfortable with your answer to any of the above, you should not take the contemplated actions without first discussing them with your local management. If you are still uncomfortable, please follow the steps outlined in the preceding Section on “Reporting Ethical Violations”.

Any employee who ignores or violates this Code of Business Conduct and Ethics, and any manager who penalizes a subordinate for trying to follow this Code, will be subject to corrective action, which may include immediate dismissal. However, it is not the threat of discipline that should govern your actions. We hope you share our belief that a dedicated commitment to ethical behavior is the right thing to do, is good business, and is the surest way for AZCON to remain a highly successful company.