



Introduction to HMT's Code of Conduct

Integrity is one of the core values of HMT. It provides a foundation for everything we do. At HMT, we want to establish a culture where people recognize what is right and wrong, where people always do the right thing, and where we all encourage and support appropriate behavior. A company is only as good as the decisions and actions of its people. Therefore, for HMT to be the company we want it to be, we all need to act honestly and ethically.

Each of us makes many decisions every day in which we confront ethical issues. Questions can arise when we fill out a time sheet, sign our expense report, call a friend on company time, or consider if it is all right to leave a few minutes early. In making these types of decisions, we are guided by our own personal moral compasses. HMT employees need to have moral compasses with the highest integrity and must use them when deciding what to do. There can be no excuse for individuals who knowingly cheat, steal, lie, violate our policies, or disobey the laws. Dishonesty is unfair to the company and unfair to your fellow employees. In some cases, the costs of making mistakes can be devastating not just to HMT, but to you, personally, and your families.

Acting with integrity makes good business sense, too. Good customers, suppliers, lenders, and investors want to do business with companies that are ethical. They know honest companies will treat them fairly and can be trusted to do the right thing. HMT wants to be the preferred partner for companies in our industry.

Commitment to high ethical standards starts at the top of an organization. Managers need to set the benchmark and champion integrity at every opportunity. The leaders of HMT are committed to establishing clear policies, providing adequate training, opening up channels of communication for concerns or questions, and promptly and fairly addressing any problems as they arise.

With this in mind, we wanted to introduce a new and expanded Code of Conduct. This document is intended to familiarize you with many of the important compliance standards of the company and to help you be a more informed, productive, and ethical employee. It cannot cover every policy or situation, however, so should you have any questions or need further explanation, please contact your supervisor or the Compliance Officer for help.

Integrity is everyone's job. Let's all agree to take responsibility for our own actions and decisions and do the right thing, every time!

George B. Gregory
President & CEO
HMT Inc.

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HMT CODE OF CONDUCT

I. Policy and Compliance with Laws Related to HMT's Business

It is the policy of HMT Inc. and its subsidiaries ("HMT") that all employees, officers, and representatives conduct their activities in compliance with all applicable laws and with highest ethical standards.

Awareness of Laws and Policies - Many laws and regulations govern the conduct of business in the United States and in other countries where HMT may carry on business. HMT employees will make every effort to understand and comply with all laws and regulations governing the conduct of its business, wherever that may be.

Training - HMT's commitment to compliance requires that all employees make the effort to understand the law and HMT's policies. HMT provides training to help you in this effort. It is part of your responsibility as an employee to participate in and use these materials.

Compliance Officer - HMT has a Compliance Office that is available to every employee to help answer questions and resolve conflicts. To reach the Compliance Officer, you may e-mail or call Stephen Van Buren (stephen.vanburen@hmttank.com; 281-681-7019) or call the Compliance Hotline at 281-681-7077.

Report of Possible Violation - HMT's commitment to compliance requires that all employees and officers report any incident or situation which may potentially violate the law or this policy to the Compliance Officer. Reports may also be submitted anonymously over the Compliance Hotline (281-681-7077) or by sending such report to the attention of the Compliance Officer of HMT via intra-office or regular mail. Any form of retaliation against a person who reports a violation of this Code is prohibited by company policy and by some state and local laws.

Monitoring Compliance - HMT's commitment to compliance requires that we monitor compliance including completion of the training. In addition, from time to time, we will conduct audits and investigations to see 'how are we doing.' Complete cooperation and candor are required during these audits.

Requests for Exception - Some provisions of this Code of Conduct must be strictly adhered to without any exceptions. Some provisions may allow an exception to be approved and some conflict of interest situations can be resolved simply by disclosure of the possible conflict. Any employee who believes that an exception to any provision of this Code is appropriate must obtain the approval of the Compliance Officer.

II. Scope

This Code of Conduct is intended to govern the conduct of employees whenever or wherever they are conducting HMT business or dealing with other employees or third parties while on business. It cannot cover all possible laws, policies, or situations. Should questions arise not described herein, please contact your supervisor or the Compliance Officer. In all cases, however, employees are expected to act honestly and ethically and in compliance with laws.

III. Personal Workplace Behavior and Respect for Employees

HMT has adopted policies addressing appropriate workplace behavior and conduct among employees. The following examples are provided to guide you, but they are not intended to be all-inclusive:

A. Appropriate employee conduct includes, but is not limited to:

- Treating all customers, suppliers, coworkers, and contractors in a courteous manner;
- Refraining from behavior or conduct that is offensive or undesirable, or which is contrary to HMT's best interests;
- Reporting to management suspicious, unethical, or illegal conduct by coworkers or third parties that might have a direct or indirect effect on HMT business;
- Cooperating with HMT investigations;
- Complying with all HMT safety and security regulations;
- Performing assigned tasks efficiently and in accord with established quality standards;
- Reporting to work as scheduled and being at the proper work station, ready for work, at the assigned starting time;
- Giving proper advance notice whenever unable to work or report on time;
- Maintaining cleanliness and order in the workplace and work areas;

B. The following conduct is prohibited and individuals engaged in it will be subject to discipline, up to and including termination:

- Possessing firearms or other weapons on HMT property, job sites, or in HMT vehicles;
- Fighting at the job site or HMT premises or with someone you work with;
- Improperly threatening or intimidating anyone at the job site or with whom you work;
- Engaging in any form of sexual or other harassment;

- Reporting to work under the influence of alcohol, illegal drugs, or narcotics or using, selling, dispensing, or possessing alcohol, illegal drugs, or narcotics on HMT premises;
- Stealing, destroying, defacing or misusing HMT property or property of others, including property of other employees, customers, or vendors;
- Refusing to follow management's instructions concerning a job-related matter or other insubordination;
- Failing to wear assigned safety equipment and clothing appropriate for the work being performed or failing to abide by safety rules and policies;
- Smoking at times and in places prohibited by HMT rules or local ordinances;
- Using profanity or abusive language at work;
- Sleeping on the job without authorization;
- Gambling on HMT property or while performing HMT business;
- Playing pranks, practical jokes, or engaging in horseplay;
- Wearing improper attire or having an inappropriate personal appearance;
- Tape recording meetings, discussions, etc. not pre-authorized by management.

IV. Health, Safety, and Environment

The Company is committed to providing a safe, healthy, drug-free work environment at all of our operating locations. We are dedicated to identifying, correcting, and preventing safety, health, and environmental hazards that could adversely affect our employees, customers, or the general public. The Company is committed to ensuring that we comply with all applicable regulatory safety, health, and environmental protection requirements and providing adequate resources to ensure the safety and health of our employees as well as the preservation of the environment.

The Company's Health, Safety, and Environmental Guidelines and Procedures Manual has been designed and implemented to reduce work-related incidents, injuries and illness and to promote safety and health in tasks undertaken by the employees on behalf of the company.

It is important that all employees recognize their role in safety. It is imperative each employee follows the safety guidelines and procedures provided by the Company. Working safely is the responsibility of each employee. The success of our safety program is based on the concept that injuries are unacceptable and incidents are preventable. Full compliance by all employees to the safety program will help to achieve our goal, simply stated, "Work Safely – No Injuries."

V. Ethical Business Practices

A. Bribery and Corruption

HMT seeks to comply with all domestic and international anti-bribery laws such as the Foreign Corrupt Practices Act. Use of HMT funds or property for illegal, unethical, or otherwise improper purposes, including bribes, kickbacks, and payoffs are prohibited.

Bribery is the giving of money or anything else of value in an attempt to influence unlawfully the action of a public official. No employee should pay, offer, or authorize any bribe or make any other unlawful payment on behalf of HMT. This prohibition extends to payments to consultants, agents or other third parties when you have reason to believe that some part of the payment or "fee" will be used for a bribe or to otherwise improperly influence government action.

Payment (other than for purchase of a product or service) or giving of a gift of more than nominal value to suppliers or customers or their agents, employees or fiduciaries may be considered a kickback and may be a violation of law. No employee should pay, offer, or authorize an unlawful payment or gift to suppliers, customers or their agents, employees or fiduciaries.

B. Gifts and Gratuities

Employees are not to accept gifts, gratuities, accommodations, loans, entertainment, or anything that could improperly obligate or influence decisions in dealing with suppliers or customers. Normal business entertainment such as lunch, dinner, theater, a sporting event, and the like, is appropriate if of a reasonable nature and in the course of a meeting or another occasion, the purpose of which is to hold bona fide business discussions or to foster better business relations. Direct gifts such as merchandise or products, as well as personal services or favors, may be accepted if they have a value of less than \$100. A gift of cash or securities may never be accepted. Promotional items of a nominal value are not considered gifts.

An employee may provide gifts, promotional items, and entertainment at HMT expense in the normal course of business as long as they:

- Are for legitimate business purposes, such as to foster better business relationships;
- Are reasonable and consistent with applicable laws and with accepted ethical standards and business practices;
- Are authorized and of sufficiently limited value so they are not construed as a bribe, payoff, or kickback; and
- Would not embarrass HMT should public disclosure be made.

C. Political Contributions and Activities

HMT believes strongly in the representative political process and encourages employees to participate to the extent they can personally, on their own time and

at their own expense, in that process. A corporation's activities, however, are limited significantly by law. For this reason, no political contribution of HMT funds or use of HMT-paid employee's time, HMT property, services or other assets may be made available directly or indirectly to any political party or to the campaign of any candidate for federal, state, or local office unless such transaction has first been approved by the Compliance Officer or an Executive Vice President of HMT.

Indirect expenditures on behalf of a candidate or elected official, such as use of telephones or other HMT equipment, may be considered as contributions. Furthermore, when an employee speaks on public issues, it must be made clear that comments or statements made are those of the individual and not of HMT. Any questions should be referred to the Legal Department. In no event may an employee be reimbursed by HMT in any manner for political activities.

VI. HMT Record-Keeping

HMT's commitment to compliance requires that we maintain accurate and complete records of all our business and financial transactions consistent with applicable record retention policies. Misrepresentation or failure to disclose facts, or making of any false records violates this policy.

It is against HMT's policy to:

- Falsify, make an incorrect entry or alter any HMT record or report, such as an application for employment, a medical report, a production record, a time record, an expense account, an absentee report, shipping and receiving records, or job or project-required documents; and
- Make any payment with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.

Wrongful destruction, alteration, or falsification of company records may subject the persons involved and HMT to civil liability and criminal penalties.

VII. Conflicts of Interest

Employees are expected to devote their efforts at HMT to the best interests of the company. In some situations, an employee's personal interests could conflict or appear to conflict with the interests of HMT. When such a conflict exists, the employee must disclose the conflict in order that it be resolved to the satisfaction of HMT.

Examples of potential conflicts of interests include, but are not limited to:

- Working a second job that prevents you from performing your duties at HMT;
- Promoting or giving special treatment to a friend or family member;
- Holding a financial or other beneficial interest in one of HMT's suppliers, customers, or competitors (except for a publicly traded company where the

employee owns less than 1% of the company);

- Engaging in a personal business transaction involving HMT directly or indirectly (for example, renting equipment to HMT or for HMT use);
- Employment by a competitor in any capacity, or acting as a paid consultant to the industry or an expert witness;
- Giving business to a company that results in personal gain by an employee or someone close to an employee.

HMT policy requires the disclosure of any situation, such as those above, that is or could become a conflict. Disclosure should be made initially to the employee's supervisor who, along with the employee, will report the conflict or potential conflict to the Compliance Officer or Executive Vice-President.

VIII. Employee Records and Employee Privacy

Records containing personal data on employees are confidential. As such, they are to be carefully safeguarded. They should be disclosed only to authorized personnel having a "need to know." If you inadvertently hear, see, obtain, or learn of such private or confidential information, do not discuss or share it with anybody other than the Compliance Officer or an Executive Vice President of HMT.

Medical records are even more restricted and may be disclosed or used only in accordance with applicable laws and regulations. Should you have any questions about disclosure, consult with the corporate legal counsel before disclosing.

IX. Doing Business Internationally

Trade Restrictions; Export Controls; Anti-Trust, Anti-Boycott, and Anti-Money Laundering

HMT seeks to comply with all laws related to Trade Restrictions and Export Controls, the U.S. Anti-Boycott Act, Anti-Money Laundering, and Office of Federal Asset Control provisions related to doing business with known or suspected terrorists or illegitimate sources of funding. If your job involves doing business internationally, you must familiarize yourself with these laws. The company provides general training in these areas. If you have questions, contact the legal department.

X. Dealing with Competitors - Antitrust and Competition Laws

Antitrust laws are complex and difficult to cover adequately in the body of this document. In general, it is against the laws of the US and many other countries to engage in any activity that unfairly limits or prevents competition. Doing so may result in significant fines to the company and potentially jail time for participants. Notorious examples of antitrust law violations are two or more competitors: (1) conspiring to raise prices; (2) deciding who will win certain customer bids (bid-rigging); and (3) agreeing to stay away from each others' customers or markets.

Illegal activity can also involve production quotas, group boycotts, market allocations, etc. There are very few legitimate reasons to engage a competitor in discussions, so it is better to play it safe and avoid any serious dialog with them. If you are confronted by a competitor (for example, at a trade show or at a jobsite or by phone) who wants discuss prices or margins, upcoming bids, specific customer accounts, or anything else that sounds questionable, excuse yourself immediately and report the incident to the legal department. HMT employees must abide by these laws and not engage directly or indirectly in any activity contrary to them. We will provide training to describe antitrust and related laws in more detail. Should you have any questions or concerns at all, please contact the legal department.

XI. Employment Policies

HMT is committed to being a good employer. We will provide employment, compensation, benefits, training, promotions, and other conditions of employment based on personal ability and without regard to race, color, creed, sex, age, disability or national origin.

A. Harassment

Harassment is offensive behavior that frequently is a type of discrimination on account of race, color, creed, sex, age, disability or national origin. It is HMT's intent to provide employees a workplace that is free from harassment. HMT will not permit any conduct that interferes with an individual's work performance or creates an intimidating, hostile, or offensive work environment.

All employees are required to report any incident or situation which may potentially violate this policy to the Compliance Officer. Any form of retaliation against a person who reports a violation of this Policy is prohibited.

B. Nepotism (Working With Family Members)

Working relationships between family members will be evaluated as to the potential to cause an actual or apparent conflict of interest or the perception of impropriety. You must ensure your relationship with family members and friends does not interfere with your business responsibilities at HMT and you cannot provide any special or preferential treatment to them. Prior to any promotion by you of any family member, you must disclose the relationship to the Compliance Officer of Executive Vice-President for prior approval, guidance, and possible work reassignment

XII. Use of HMT Assets

You are responsible for properly handling those assets that are entrusted to you by HMT. In general, you may not use HMT assets for non-business purposes unless specifically authorized. However, occasional personal use of certain HMT equipment (i.e. personal telephone calls, facsimiles, e-mails, Internet access) is permissible if

the frequency and cost of such use is not excessive and the use does not interfere with work responsibilities or conflict with HMT policy.

XIII. Proprietary or Confidential Information

A. Technology, Information and Security

HMT is a market leader in the design, manufacture and sale of a variety of proprietary technology-based components and subsystems requiring significant development, engineering, and processing expertise. The backbone of HMT is our ability to develop and use technology in our day-to-day operations. Failure to maintain control over our technology could result in irreparable harm to HMT.

Accordingly, each of us is responsible for guarding HMT technology against unauthorized disclosure. This applies to proprietary data developed or purchased by HMT and information entrusted to us by suppliers and customers. These restrictions apply regardless of how the information exists - whether in written form, electronic form, or simply known to us.

B. Confidential Business Information and Records

Do not disclose to any outside party, except as specifically authorized by management or the Compliance Officer, any nonpublic business, financial, personnel, or technological information that you learn or acquire during your employment with HMT.

Upon termination of employment, you may not copy, take, or retain any documents or electronic media containing proprietary or confidential information.

The prohibition against using or disclosing such information extends indefinitely beyond your period of employment until such information is no longer confidential. The obligations also apply to proprietary and confidential information of others where HMT has agreed to hold such information in confidence. Your agreement to protect the confidentiality of such information is considered an important condition of your employment with HMT.

XIV. Areas of Special Attention

A. Communications with the Media, Governmental Agencies, Private Litigation and Industry Inquiries

1. Media Inquiry

If you receive any inquiry or are contacted by any reporter (newspapers, radio, and television) at any time, please tell them you are not authorized to respond and immediately contact the Compliance Officer or an Executive Vice-President.

2. Governmental Inquiry or Contact

If you are contacted by a government agent or if a government agent shows up at your workplace, you should refer the person to the Compliance Officer or someone in HMT's legal department. Do not substantively respond to any such inquiry unless you are given permission to do so.

If you obtain any information that may indicate a government investigation or inquiry is underway or about to begin, you should immediately contact the Compliance Officer or HMT's legal department. Do not discuss the possible government investigation or inquiry with any other person without prior approval.

3. Civil or Private Litigation, Industry, or Consultative inquiries

Similarly, attorneys, investigators for private companies, industry consultants, or other persons may contact you by telephone, in person, or in writing seeking HMT information or documents. All such inquiries should be referred to the HMT's legal department, and no substantive response should be made.

Employee Acknowledgement

I acknowledge that I have received, read and understand HMT's Code of Conduct. I understand and acknowledge that my conduct as an employee of the Company must at all times comply with the standards and policies set out in the Code, as well as any other legal or compliance policies or procedures of the Company. I agree to abide by HMT's Code of Conduct and the ethical standards and policies of the company.

Employee Signature: _____

Employee Printed Name: _____

Date: _____

Company: _____ Location: _____

I would like to voluntarily disclose the following actions or circumstances to HMT as possible violations, made unknowingly or otherwise, that occurred in the past year:

_____.

****After reading the Company Code of Business Conduct & Ethics, you are required to print, complete, sign and date the Employee Acknowledgment form. Please send your signed acknowledgement by inter-office or regular mail in an envelope sealed and marked 'CONFIDENTIAL' addressed to:**

**HMT Compliance Officer
HMT Corporate Offices**

*If sent by regular mail, the corporate mailing address is 24 Waterway Ave., Suite #400
The Woodlands, TX 77380; United States of America.*