

BLOUNT
CODE OF CONDUCT

TO THE GLOBAL BLOUNT TEAM

A business enterprise is usually thought of in broad economic terms. But more realistically and more importantly, it is an institution of people. As such, a business has moral standards and ethical responsibilities, as well as a basic economic role. It must understand and conform to law, to custom if within the law and to human values. These standards of conduct apply to all of us no matter where we work in the Company.

Just as the Blount Philosophy articulates our values and beliefs, the following Code of Conduct provides all employees and directors with clear guidance as to their conduct as representatives of Blount.

Ethical behavior is a matter of spirit and intent as well as a matter of law. Our standards include several principles and values that both underpin our Philosophy and provide the foundation for our Code of Conduct.

- ***Honesty and Integrity*** These qualities are characterized by truthfulness and freedom from deception or fraud and do not vary by business, by product, by country or by culture. These qualities dictate one standard of conduct worldwide. If we conduct ourselves truthfully and with integrity, questions of ethical behavior will be easily answered in most situations. Acts which seem slightly dishonest can open the door to serious violations.
- ***Trust*** There is no conflict between attention to profit and attention to ethics. In fact, the two should go hand in hand. We will prosper most in an environment that is fair, open and morally secure, and, as we contribute to such an environment, we will also contribute to the good reputation of the Company, its people and its products.
- ***Respect*** Blount believes that its employees are the key to its success, and that we should treat each other in a way that fosters individual self respect, loyalty and dedication, appreciating the diversity of our workforce and the uniqueness of each employee.
- ***Customer service*** Blount prospers to the degree—and only to the degree—that it serves its customers well. This Company prides itself on its commitment to providing quality services and products and to delivering them at fair market prices.
- ***Citizenship*** We will obey all the laws of the countries in which we do business and do our part in making the communities in which we live and work a better place.
- ***Responsibility*** In dealing with the public, we will be responsive and responsible. We can have a positive impact in the community by fulfilling our responsibility to be open and timely in our communications to the public and by playing important citizenship roles in the communities in which we operate.

Adherence to these values and standards is essential; it is the activities of Company personnel and directors, individually and collectively, which affect the Company's reputation in the community, public confidence in the integrity of the Company and the direct financial interests of the Company, all of which are fundamental to its continued success. Thank you for your commitment to our Code of Conduct and maintaining Blount's high standards.



James Osterman, President and Chief Executive Officer

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BLOUNT CODE OF CONDUCT

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INTRODUCTION

Blount, International Inc., including all of its subsidiaries, affiliates, divisions and other business units, (“Blount” or “the Company”) is committed to achieving the highest standards of legal and ethical conduct for itself and its directors, officers and employees.

Because of recent changes in legal requirements and the increasingly complex ethical questions facing all employees and directors, the Company has developed this Code of Conduct (the “Code”), which sets forth appropriate legal and ethical principles by which all Company employees are expected to abide. The Code is designed to provide each director, officer and employee of the Company with guidance on how to proceed when legal or business ethics issues arise. While covering a wide range of business practices and procedures, this Code cannot and does not cover every specific issue that may arise, or every specific situation in which ethical decisions must be made. Instead, this Code sets forth key guiding principles of business conduct that Blount expects of its employees, officers and directors, which principles illustrate Blount’s commitment to conduct its business in compliance with all applicable laws and regulations and with the highest ethical standards. These key guiding principles should direct Blount directors, officers and employees to an ethical resolution of the issue at hand.

It is the personal responsibility of all employees and directors to acquaint themselves with the legal and policy standards applicable to their assigned duties and responsibilities, and to conduct themselves accordingly.

The following is a summary of the Company's policies.

I. CONFLICTS OF INTEREST, CERTAIN LOANS, BUSINESS ENTERTAINMENT, POLITICAL CONTRIBUTIONS AND ILLEGAL PAYMENTS

Conflicts of Interest. All employees and directors must recognize and avoid any situation that might involve a conflict of interest. The term “conflict of interest” describes any circumstance in which an employee’s or director’s personal interests, relationships or activities, or those of a member of the employee’s or director’s family, either interfere or conflict or appear to interfere or conflict with the interests of Blount. Activities that involve the unauthorized use of Blount time, equipment or information, that significantly interfere with job performance, that could damage the employee’s, director’s or Blount’s good reputation, or that otherwise conflict with Blount’s business interests, are examples of conflicts of interest. In essence, an employee or director should not use his or her position or the assets or influence of Blount for personal advantage or for the advantage of family members to the detriment of Blount, and should always act in the best interests of Blount.

Employees and directors should not take for themselves personally opportunities that are discovered through the use of Company property, information or position. Each employee and director should always avoid conflicts of interest, and should discuss any material transaction, situation or relationship that could give rise to a conflict of interest, or appearance thereof, with the General Counsel, and upon the General Counsel’s recommendation, with the Audit Committee of the Board of Directors.

Loans. Blount is prohibited from, directly or indirectly, extending or maintaining credit (or arranging for an extension of credit) in the form of a personal loan to any officer or director.

Business Entertainment, Political Contributions and Illegal Payments. Employees and directors are prohibited from making any gift, payment or loan, or from promising or granting any unreasonable favor, to any present or potential customer, supplier, or any domestic or foreign government officer, official or agent on behalf of the Company, particularly where the purpose is or appears to be in order to influence business judgment or induce a compromise of duties. Employees and directors are also not permitted to accept from such persons or entities any similar gifts, payments, loans or favors. This prohibition does not include favors or gifts of tangible property of nominal value not exceeding normal standards of ethical business conduct, nor does it include normal entertainment for business purposes. Employees and directors may not promise or make any contribution, directly or indirectly, *on behalf of the Company* to any political party or candidate for public office.

II. PROHIBITION AGAINST USE OF CONFIDENTIAL "INSIDE" INFORMATION

Company personnel, officers and directors are not permitted to divulge confidential information pertaining to the Company or any affiliated company (e.g., information relating to acquisitions, dispositions, business plans, earnings, financial or business forecasts or competitive information) to any individual who does not have a direct and authorized need to know such information. Confidential information also includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Employees and directors should maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated.

In addition, Company personnel may not seek to obtain any confidential information of customers, suppliers or competitors in an illegal or unethical manner. No information obtained by an employee as the result of his employment may be used for personal profit or as the basis for a "tip" to others, unless the Company has made such information generally available to the public. This requirement not only relates to transactions with respect to stock and other securities, but also to any situation where undisclosed information may be used as the basis for inequitable bargaining with an outsider.

III. MAINTAINING ACCURATE BOOKS AND RECORDS

All assets, liabilities, revenues and expenses of the Company must be properly recorded in appropriate Company books and records. No false or fictitious entries may be made in, and no information which should be recorded shall be omitted from, the books and records of the Company for any reason. All entries in the books and records of the Company must properly reflect the nature of the transactions in full compliance with accounting rules, including, as required, the relevant tax accounting rules relating to the transfer pricing of intra-Company transactions.

IV. ANTITRUST LAWS/COMPETITIVE PRACTICES

The objective of antitrust laws of the United States and similar laws addressing competitive practices in other jurisdictions in which the Company operates is to promote vigorous competition in open markets. Generally speaking, these laws prohibit activities or agreements which unreasonably restrain trade.

For example, collaboration on prices or terms and conditions of sale with competitors is illegal under most circumstances, and discussions with competitors concerning certain topics that could lead, or appear to lead, to such collaboration must be avoided. These topics include pricing, production, marketing, inventories, product development, sales territories and goals, market studies and proprietary or confidential information.

As stated above in Section II (Prohibition Against Use of Confidential "Inside Information"), it is also against Company policy to engage in illegal, unethical or improper acts to acquire a competitor's

confidential information, including trade secrets, customer lists, financial data, information about facilities, technical developments or operations. Blount personnel should immediately report to their supervisor any attempt to sell or otherwise disclose to the Company anyone else's confidential information. In addition, it is against Company policy to hire competitors' employees to obtain confidential information or urge competitors' personnel or customers to disclose confidential information.

V. EXPORT AND IMPORT REGULATIONS

It is the Company's policy to comply with the export and import regulations of the countries in which it conducts business. These regulations regulate and limit the Company's ability to import and export goods and materials, and control or restrict the export of certain goods and technology to countries identified by applicable government authorities. Blount's specific policies concerning trade regulations are detailed in Company policy statements issued from time to time.

VI. INTELLECTUAL PROPERTY, COMPUTER ESPIONAGE, CONFIDENTIAL INFORMATION AND SECURITY

The Company and its employees and directors must respect the intellectual property and confidential information of other parties. "Intellectual property" is a term that describes creative works whose authors and inventors have legal rights to them. Copyrights, patents, trade secrets and trademarks all belong to this category.

Software Use. The unauthorized copying of computer software is prohibited. Original computer software is protected by copyright law. The money paid for a software product generally represents a license fee for the use of one copy. Reproducing software without authorization (backup copies are usually permitted by the license agreement) may violate copyright laws.

Copying of Copyrighted Printed Materials. The intentional unlicensed duplication of copyrighted material for the purpose of commercial gain or competitive advantage is also unlawful and will, in certain circumstances, constitute a violation of criminal law.

Computer Espionage. Similarly, it is a violation of this Code and, in many cases, local or national law, to use a computer to gain unauthorized access to computer systems with the intent either of (1) obtaining trade secrets or other confidential information, (2) destroying, impairing or otherwise injecting a "virus" into the other system or (3) committing any other type of computer fraud or theft.

VII. ENVIRONMENT, HEALTH & SAFETY

All employees and directors are to accomplish their tasks in a manner that complies with the laws protecting the environment, as well as those promoting the safety and health of all persons from unreasonable risks. The Company is also obligated by law to ensure that the workplace is free from recognized hazards that might cause physical harm. Because Blount is committed to observing environmentally sound business practices throughout the world, each employee is charged with the responsibility for compliance with environmental, health and safety rules, laws and regulations.

VIII. EMPLOYMENT-RELATED PRACTICES

Blount is committed to promoting a positive work environment in which its employees can feel respected, satisfied and appreciated. The Company's goal is to provide employees with a workplace that supports honesty, integrity, respect, trust, responsibility, citizenship and customer service.

Equal Employment Opportunity. The Company will provide equal employment opportunity to all persons. In all employment decisions, including recruitment, hiring, placement, promotion, reassignment, compensation, training, discipline and dismissal, the Company must afford equal opportunity to all individuals, without regard to race, color, religion, sex, national origin, age, veteran status or any other classification declared to be impermissible by law. Reasonable accommodations for individuals with physical handicaps or disabilities will be made.

Harassment - Statement of Company Philosophy. The Company is committed to maintaining a professional and collegial work environment in which all individuals are treated with respect and dignity. The Company is committed to the principle that all of its employees should be able to enjoy a work environment free from all forms of discrimination and harassment, including but not limited to sexual harassment and harassment based on race, color, national origin, religion, gender, age or disability.

Harassing or bullying behavior by Company employees is unacceptable whether in the work place or in any business-related setting outside the workplace, including but not limited to business trips, interaction with clients, vendors or customers, and business-related social events.

The Company will investigate all allegations of discrimination and harassment in as prompt and confidential a manner as possible and will take appropriate corrective action when warranted. Any person who is determined by the Company as a result of such investigation to have engaged in discrimination or harassment in violation of this Code will be subject to appropriate disciplinary action, up to and including termination of employment.

Retaliation in any form against an employee or applicant who complains of discrimination or harassment is strictly prohibited, and is itself cause for appropriate disciplinary action, up to and including termination.

Immigration Laws. It is the Company's policy to comply faithfully with the immigration laws and regulations of the countries where it maintains employees.

IX. COMPLIANCE AND REPORTING

All Blount employees are required to report without delay through normal reporting channels any violation of this Code, and any unethical, dishonest or illegal conduct engaged in by him or her or by other employees of the Company. The identity of any employee making such a report will be kept in strict confidence. Nonetheless, if an employee who is aware of a violation of this Code does not feel comfortable identifying himself or herself, the report may be made on an anonymous basis.

If after either (1) exhausting normal reporting procedures, or (2) reasonably concluding that exhausting them would not be feasible, employees should make reports of such activities by calling the Company's Worldwide Code of Conduct Hotline at (866) 292-7933 in the United States, or by writing to the Vice President, General Counsel and Secretary, Blount International, Inc., 4909 SE International Way, Portland, Oregon 97222-4679, USA. Employees wishing to report violations of this Code via telephone simply call the Hotline number (available 24 hours a day) and leave a recorded message. Whether making a report through the Hotline or in writing, the employee should give sufficient specific information in the message so that a full investigation can be conducted.

It is a serious violation of the Code, and under certain circumstances a violation of federal or local law, for any manager of the Company to initiate or encourage reprisal against an employee or other person who in good faith reports a known or suspected violation of criminal law or this Code.

Penalties. Any violation of this Code will form the basis for appropriate disciplinary action, up to and potentially including dismissal.

Each director, officer, all management employees and other selected employees of the Company will be required to certify in writing on a periodic basis that they have conducted the Company's business in compliance with the Code and applicable law, and have reported any known conduct by any director, officer or employee of the Company in violation of the Code or any law.

CONCLUSION

Blount recognizes that it is sometimes difficult to delineate proper standards of ethical conduct. In such instances, an employee should not rely upon his own personal judgment, but should fully and openly discuss the matter with his manager. All managers shall maintain an open-door policy with regards to questions of ethics or the Code. Company management may bring any further questions concerning the ethics or legality of a particular situation to the attention of the Chief Executive Officer of the Company, the General Counsel or the Audit Committee.