

Preface of the Schunk GmbH Management Board

Schunk is a globally-active technology group – comprising largely independent individual companies. Today we are active in the core markets of carbon technology and ceramics, environmental simulation technology and air conditioning, sintered metal technology and ultrasonic welding technology. The Schunk Group is a technology leader in these fields.

Building on the principles of the Ludwig Schunk Foundation, the sole shareholder of our group, we are committed to maintaining the independence of our company and its sustainable further development. Profitable growth and dependability enable us to secure the long-term stability of our company – for the benefit of all employees.

Our employees are the foundation of the Schunk Group. Their motivation and skills form the supporting pillars upon which our future rests. They identify with the company, are loyal and act in an entrepreneurial manner. Each one respects the other and appreciates his or her input. The dialogue and target-oriented leadership style at Schunk encourages our employees to take calculated risks. Short decision paths and pragmatic actions are important success factors for us.

The corporate culture at the Schunk Group is characterised by its diversity – as are the sites, regions and business fields in which we are at home. This feeling of belonging is derived from our common sense of values and goals. This gives us the vitality and energy to work for Schunk with commitment and enthusiasm.

As an organisation operating internationally, the Schunk Group and its subsidiaries must observe various societal, political and legal frameworks at home and abroad. Even relatively small legal infringements by the members of the board, managers and staff can have a considerable negative impact on the reputation of the organisation and cause significant damage, financial and otherwise.

This Code of Conduct outlines the fundamentals of the business behaviour for the Schunk Group. The Codex reflects the goal of maintaining these norms across the organisation and creating a working environment that rewards integrity, respect and responsible behaviour.

Heuchelheim, November 2008

A handwritten signature in blue ink, appearing to read "Federer".

Gerhard Federer

A handwritten signature in blue ink, appearing to read "H. Mäurer".

Dr. Heinz-Joachim Mäurer

A handwritten signature in blue ink, appearing to read "Roth".

Dr. Arno Roth

Schunk Group Code of Conduct

1. Compliance with legal provisions

Compliance with laws and other legal provisions is the basis of all Schunk Group's activities.

This Code of Conduct lays down the fundamental guidelines on responsible behaviour for the Schunk Group employees and institutions. However, it is beyond the scope of this document to outline all the legal provisions by which the management board, managers and employees of the Schunk Group have to abide.

The members of the management board, managers and employees of the Schunk Group are required to inform themselves on the legal provisions for their areas of responsibility and, if in doubt, to seek legal advice from the Schunk Group's relevant departments.

2. Fair competition

It is the policy of Schunk Group to promote fair competition. Schunk abides by all applicable domestic and foreign anti-trust legislation as well as the law against unfair competition.

It is not permitted to fix prices or terms of trade with competitors or to reach agreements with competitors to divide up markets. Agreements contravening anti-trust laws may not be replaced with modes of behaviour that are agreed with competitors or by agreements within trade associations.

The Schunk Group rejects practices that constitute unfair competition. If Schunk Group subsidiaries have a dominant market share, this may not be abused at the expense of customers or competitors.

All members of the management board, managers and employees must be aware of the fact that infringing competition laws does not, in any way, serve the interests of the Schunk Group and must be totally avoided.

3. Corruption

All staff must be committed to opposing corruption in their areas of influence. Corruption is the offering, granting or acceptance of a gift, loan, fee, reward or other advantage to or from another person as an incentive to do something dishonest, illegal or that would involve a breach of trust.

4. Conflict of interest

All members of the board of management, managers and employees of the Schunk Group have the duty to avoid a conflict of interest between private interests (directly or indirectly or through associated persons or companies) and those of the Schunk Group.

5. International trade

The valid legal provisions for international commercial activity also apply to the Schunk Group's products and services. The Schunk Group's subsidiaries must conform to all valid export or import restrictions and must comply with permit regulations and conditions imposed by the national or international authorities.

6. Fair working conditions

The Schunk Group's commercial success depends to a great extent on its employees. Therefore the Group recognises the fundamentals of social responsibility. That's why it is in the interests of the Group to ensure fair working conditions worldwide.

Schunk will adhere to all local working and social welfare legislation as a matter of course.

This commitment to fair working conditions means that no form of discrimination against employees will be tolerated, whether on the grounds of gender, sexual orientation, country of origin, skin colour or other personal characteristics.

The Schunk Group considers it a duty to be an employer that treats its employees in a respectful and fair way. The Schunk Group also expects that its employees treat each other with respect. Discrimination or insults will not be tolerated.

7. Child labour

The Schunk Group rejects child labour, also with regard to its business partners. The Schunk Group will respect the minimum, legal working age of the relevant jurisdiction when employing staff.

8. Health and safety, fire and environmental protection

It is the duty of all employees to avoid risks for people and the environment, to minimise the effects on the environment and to use resources sparingly. Processes, working facilities and equipment must comply with the legal and internal guidelines on health and safety, and the environment.

9. Duty of confidentiality

The knowledge and information acquired working for the Schunk Group are a basic element of its commercial success. The Schunk Group invests considerable human and financial resources in developing innovative products and services. The Schunk Group ensures its success in the market place by protecting these innovations. It is essential that precautions are taken to protect these innovations.

All members of the board, managers and employees must ensure that knowledge and information, that constitute company or trade secrets, remain within the Schunk Group. They must prevent the publication of sensitive data in meetings with third parties, in trade magazines and on the Internet. Furthermore, all employees in possession of this knowledge and information must establish whether, and to what extent, copyright protection is required.

Employees are not authorised to inform the Schunk Group's business partners of its company or trade secrets.

10. Data protection

Respect for our employees also means protecting their personal data. The Schunk Group will implement all applicable data protection provisions and requires this of its employees.

11. Internal organisation to uphold this Code of Conduct

Each business unit is responsible for implementing the provisions contained in this Code of Conduct as well as other company-internal rules for its business area.