

Code of Conduct
for the
Schaltbau Group

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1. Purpose and scope of application

The reputation of our company and the trust placed in us by customers, investors, employees and the public vitally depend on the correct behaviour of each individual employee. This code of conduct outlines the minimum standard required of each Schaltbau employee worldwide. It is designed to assist employees in meeting the legal requirements and ethical challenges encountered in their daily work.

This code of conduct has been put in place to strengthen the reputation of the Schaltbau Group on the one hand and to protect both the Group and its employees from attack on the other.

The applicability of the Schaltbau code of conduct covers all German and foreign subsidiaries in which Schaltbau Holding AG holds a direct or indirect share of at least 50%. In the case of minority holdings, the Schaltbau Group will work towards their observance of this code of conduct.

We also encourage and support both suppliers and business partners in introducing and implementing similar principles in their own companies as far as possible.

2. Behavioural requirements

2.1 Basic understanding

- **Compliance with the law**

The observance of and compliance with the law is a self-evident principle of the Schaltbau Group. Each individual employed by the Group is bound to abide by the law and to observe all other pertinent guidelines and agreements.

- **Mutual respect and integrity**

We respect the personal dignity of every individual. We do not condone discrimination in any of our activities. These principles apply in both internal working situations and in our behaviour towards external business partners. We do not tolerate harassment, either of employees or business partners, in any shape or form.

We are aware of our responsibility. We are reliable partners and only make agreements that we are able to keep.

- **Management culture and personnel development**

All those in leading positions bear responsibility for the employees entrusted to them. They must gain the respect of their staff by exemplary personal behaviour, performance, openness and social competence. Managers are to place trust in their employees and agree upon clear, ambitious and realistic goals, allowing employees as much personal responsibility and scope as

possible in carrying out their duties. The success of the Schaltbau Group is due to the knowledge, experience and commitment of each of its employees. We invest in the qualification and expertise of our employees, particularly fostering dedication and efficiency. This policy guarantees the ability of the Schaltbau Group to meet the challenges of the future.

- **Environment, safety and quality**

The long-term safeguarding of natural resources, health protection and the safety and quality of our products are embedded in our principles for responsible behaviour.

For the benefit and protection of all Group employees, workplace safety and health regulations must be adhered to at all times.

The high safety and quality standards of our products are essential factors in safeguarding both the future and the advancement of the Schaltbau Group.

We satisfy our standards of safety, quality and environmental responsibility by means of numerous in-house measures and guidelines as well as through corresponding certification from external sources.

2.2 Behaviour towards business partners and third parties

- **Observance of fair competition and anti-trust laws**

Every employee is required to act in accordance with both national and international regulations. Employees may not undertake negotiations with competitors that include agreements regarding price or capacity. Neither is it permitted to enter into agreements with competitors concerning the waiving of competition, the submission of sham offers or the dividing up of customers, territories or production programmes. This also includes any informal negotiations aimed at achieving or bringing about any of the above-mentioned restraints to competition.

- **Offering and granting advantages**

We compete for orders with the quality and the price of our products and services. Contributions of any kind made by employees of the Schaltbau Group to officials, employees of other companies or third parties with the aim of securing orders or undue advantages, either for companies of the Schaltbau Group or for other persons, are prohibited.

Gifts, favours, business entertainment or any other remuneration may only then be accepted or granted inasmuch as they can be considered as being in line with general accepted business practices, do not represent an inappropriate degree of value and cannot be considered or understood as bribery. Any such contribution must be

granted in a manner that does not oblige the receiver to hide their acceptance or force him into any type of binding dependency.

- **Demanding and accepting advantages**

To a certain degree, the receiving of gifts from business partners conforms with generally accepted business practices. Their acceptance can, however, lead to conflicts of interest, thereby jeopardising the good reputation of the company.

Employees may not use their position or function within the company to demand, accept or procure personal advantages. This does not, however, apply to the acceptance of occasional gifts of insignificant value. Any gifts or other advantages exceeding the value of these, either for oneself or for related persons or parties, must be categorically refused. Employees are required to inform their superiors in any such cases.

- **Equal treatment and fairness**

It is the responsibility of each employee to treat all business partners in the same equal and fair manner.

The selection of suppliers and service providers is carried out by means of a controlled procedure.

- **Avoiding conflicts of interest**

It is of key importance for the Schaltbau Group that its employees do not become caught up in conflicts, either of interest or of loyalty, in the exercising of their company duties. Conflicts of this nature can occur if employees either work for other companies or have vested interests in them.

Employees may not operate a business or hold stakes, either directly or indirectly, in any company engaged in whole or in part in competition or in a business relationship with any of the companies of the Schaltbau Group. Additional occupations and investments that are proven to have no influence on their duties for the Schaltbau Group are excepted. Any existing regulations within the various companies of the Group regarding notification of additional occupations remain unaffected.

- **Donations**

The giving of donations of any kind must always be conducted in a transparent manner. Both the receiver of the donation and its concrete use by the receiver must be known and comprehensible. Any such donation must be accountable to the public at any time. The corresponding Group internal guidelines must be observed at all times.

2.3 Handling of information

- **Integrity of reports**

Open and effective cooperation requires correct and truthful reporting to investors, employees, customers and business partners as well as to the public and all government offices. All records and reports, both prepared for internal use and those intended for the public, must describe the relevant facts in a correct, clear and prompt manner. Orderly accounting principles must be observed at all times. Breaches of financial reporting regulations or balance sheet violations will not be tolerated in the Schaltbau Group.

- **Confidentiality**

Any information that has not been made available to the public must be treated as confidential and may not be disclosed to unauthorised third parties, either during or after termination of any employment relationship.

The direct or indirect use of confidential business information, either during or after termination of the employment relationship, for his own benefit or the benefit of a third party or to the detriment of any of the companies of the Schaltbau Group is prohibited.

Patents, inventions and various other types of know-how are particularly important for the future success of the Schaltbau Group. For this reason, employees are not permitted to impart newly acquired knowledge or company secrets to third parties in any shape or form, by any means whatsoever. Company documents and data carriers must be protected from unauthorised access at all times.

Employees must respect industrial property rights of third parties. Any unauthorised use is prohibited. Employees may not procure or make use of secrets of any third party without authorisation.

- **Data protection and data safety**

Personal data may only be collected, processed or used insofar as necessary for specified, clearly defined and lawful purposes. A high standard of data quality and technical safeguarding against unauthorised access must be guaranteed at all times. The use of any such data must be transparent for all those concerned and their rights of information, rectification and, if applicable, objection, barring and deletion are to be observed.

Access to the intranet and the internet, worldwide electronic information exchange as well as electronic business transactions constitute essential requirements for the efficiency of each employee and for business success in general. The advantages of

electronic communication, however, are also accompanied by risks to both personal privacy and data safety. The taking of effective precautions to combat these risks constitutes a major component in IT management, the role of each managing executive and the behaviour of each individual employee.

- **Insider trading regulations / capital market information**

Schaltbau Holding AG promptly provides all capital market participants with the same degree of information regarding the company's current finance and earnings situation as well as its course of business . In compliance with legal requirements, any insider information is promptly made public in the form of ad hoc announcements.

- **Buying stock and insider trading ban**

In principle, all employees of the Schaltbau Group are permitted to trade in Schaltbau Holding AG stock or its other securities without limitation.

However, statutory regulations prohibit employees of the Schaltbau Group, without exception, from

- making use of insider information, regardless of whether this information was lawfully acquired in the course of company responsibility or from third parties, to purchase or sell publicly traded shares in Schaltbau Holding AG , those of any company belonging to the Schaltbau Group, or their related securities or

- derivatives (insider securities of the Schaltbau Group), either for ones own account or for the account of a third party,
- passing on or providing access to insider information to a third party without authorisation,
- recommending or otherwise inducing third parties to purchase or sell insider securities on the basis of insider information.

Insider information is any type of concrete information regarding not publicly known circumstances pertaining to any company of the Schaltbau Group or insider securities of the Schaltbau Group that is capable of having considerable influence on the stock market price of insider securities of the Schaltbau Group in the event of it publicly being made known.

3. Implementation and compliance

The code of conduct is to be handed out to every company employee. It is the task of company managers to ensure that the employees entrusted to them are made familiar with and comply with the code of conduct.

Persons to contact in case of queries concerning the code of conduct in general or uncertainties regarding correct behaviour in any particular situation are the managers in each case or Dr. Christian Pelz (Nörr Stiefenhofer Lutz +49-(0)89-28628-0 or ext. -179) who acts as Compliance Officer for the Schaltbau Group.

Any violations of the code of conduct are to be reported to either the corresponding manager or to Dr. Christian Pelz.

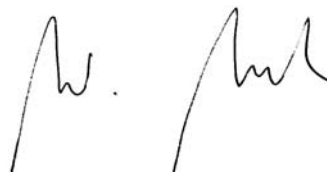
In the course of its examinations, the Group's auditing service pays attention to compliance with the behavioural guidelines.

Any violation of the code of conduct can lead to both termination of the employment relationship and claims for damages.

SCHALTBAU HOLDING AG

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by several loops and a final flourish.

Dr. Jürgen Cammann

A handwritten signature in black ink, featuring a large, stylized 'W' followed by several loops and a final flourish.

Waltraud Hertreiter