

Code of Conduct

PFEIFER Group

(released by Headquarters' board of directors
in their meeting at 14th May 2013)

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1 INTRODUCTION

PFEIFER is a value-oriented company and it is our goal to make credibility and trust the basis of all partnerships with members of staff, customers and suppliers through people-oriented leadership.

The PFEIFER Code of Conduct covers the legal, moral and ethical framework within which we act and within which we want to stay on our successful course in a sustainable manner. It contains important principles and rules for our behaviour towards each other within the PFEIFER Group as well as for partnerships with our external partners and the public. Rules and regulations that exist apart from our Code of Conduct, such as external documents (e.g. laws) and internal documents (e.g. internal regulations and bylaws, handbooks, work instructions, company agreements, agreements with managing directors, employment agreements, etc.) also apply and are to be adhered to.

The Code of Conduct shall be considered binding for all members of bodies of the PFEIFFER Group, to all staff of the PFEIFFER Group as well as all personnel acting on behalf of the PFEIFFER Group. Violations of the Code of Conduct will not be tolerated. Whoever violates the Code of Conduct shall suffer consequences reaching from measures pertaining to labour law and compensation claims under civil law to criminal sanctions.

If you are in a position to take decisions for the PFEIFER Group, please ask yourself the following questions:

Is my conduct...

- ... in the PFEIFER Group's interest?
- ... legal and free of any conflicts of interest?
- ... in accordance with the goals and values of the PFEIFER Group as well as with my own values?
- ... such that I am ready anytime to take responsibility for it with a clear conscience.

If you can answer all these questions with a "YES" then act like this and according to the Code of Conduct!

If you cannot answer all questions with a "YES", reconsider your actions.

2 CONDUCT

2.1 Adherence to applicable laws and regulations

As a globally active group, we adhere to the applicable jurisdiction as well as the laws of the individual countries that we conduct business with. All staff are to adhere to applicable directives as well as the respective legal regulations within the framework of which they act. Violations of applicable laws are to be avoided by all means. In case of doubt legal advice is to be obtained.

2.2 Conduct towards each other and towards business partners

In our daily work and in our conduct towards each other and towards external partners we adhere to the goals and values at PFEIFER.

We are all committed to human rights and in the PFEIFER Group we refrain from committing any form of discrimination against others based on their race, ethnicity, age, religion, ideology, gender, sexual identity, marital status, disability or any other characteristic. Violations against this commitment will not be tolerated.

Any type of child labour and/or forced labour is forbidden; the same applies to labour conditions or regimes that violate (international) laws and conventions.

2.3 Reputation of the PFEIFER Group

Our conduct, demeanour and the way we act shape the reputation of PFEIFER. A single employee can cause considerable damage to the company through malfeasance and inappropriate behaviour. In order to avoid this by all means, all our acts must be guided by the goal to maintain and advance the reputation of the PFEIFER Group.

2.4 Leadership and responsibility

Integrity and adherence to applicable laws and appropriate conduct start at the very top of the company. For that reason all senior staff are to assume organisational and supervising duties and will bear responsibility for the personnel they oversee. In doing so they are to set an example of the goals and values of the PFEIFER Group through their own exemplary personal conduct. They will enable the staff they oversee to complete their tasks independently and on their own authority; furthermore, they must make it clear to them that adherence to laws and regulations is absolutely indispensable. They are to support the staff they oversee in case of ambiguity and shall make themselves available for their staff when questions arise or when staff are worried about their personal situation or in case of work-related problems.

The responsibilities of senior staff do not, however, release staff from their own personal responsibility to adhere to laws and directives.

3 Cooperation with business partners and third parties

3.1 Fair competition

PFEIFER adheres to the rules of fair competition and supports all efforts to establish a free market and open competition both nationally and internationally. Therefore PFEIFER must forego any order that can only be obtained through violation of applicable laws.

All staff shall be obligated to adhere to the rules of fair competition. In order to avoid violation of antitrust laws, the following are not be allowed to PFEIFER staff:

- Agreements or arrangements with competitors on prices, terms, supplier relationships, output, capacities, invitations to tender, profit margins, rebates, costs or cornering agreements on markets, customers or territories.
- Abuse of a monopolistic status.

3.2 Corruption and bribery

PFEIFER does not tolerate corruption or bribery in any form. In all our business activities we shall think and act in an honest and responsible manner.

We rely on the quality and performance of our products and services. Therefore all agreements or subsidiary agreements resulting in unjustified advantages granted directly or indirectly in favour of officials or representatives of the private sector are prohibited. Unjustified advantages can be e.g. monetary payments, payments in kind or other emoluments.

Every offer, every promise, every appropriation and every gift must be in accordance with applicable laws and directives of the PFEIFER Group; furthermore, any semblance of improbity and inappropriate behaviour must by all means be avoided in such cases. Thus, such offers, promises, appropriations or gifts must not be extended or given if they could possibly be mistaken for an attempt to bribe a business partner in order to secure undue business advantages for PFEIFER. Strict standards are to be applied when dealing with officials. Gifts of money must not be granted altogether.

Gifts and invitations of business partners to enjoy corporate hospitality or to attend events may be common practice; however, they have the potential to do damage to the good reputation of the PFEIFER Group or lead to conflicts of interest if they are regarded as inappropriate. No member of the PFEIFER staff may use his/her position to demand, accept, obtain or be promised advantages. The acceptance of gifts of a symbolic nature and invitations to enjoy corporate hospitality, respectively attend events within an appropriate framework, shall be exempt from this rule, as long as local conventions and directives of PFEIFER are adhered to. All gifts, invitations to enjoy corporate hospitality, respectively attend events that go beyond this framework are to be rejected. The acceptance of gifts of money is forbidden altogether.

3.3 Donations and Sponsoring

PFEIFER grants donations in cash and in kind for educational and scientific purposes, for art and culture as well as for charities. No donations may be granted to political organisations. Donations are to be grant-

ed in a transparent way, i.e. recipient and appropriation of the funds need to be known. Payments to private accounts are not allowed. When it comes to granting donations, the rules mentioned above under 3.2 must be adhered to; this applies particularly to donations that are granted in timely and factual proximity to orders.

Sponsoring measures are appropriations that the PFEIFER Group grants external parties in order to foster certain purposes. For such measures the PFEIFER Group receives a service in return. In case of sponsoring measures, it is important to bear in mind that an appropriate relationship be maintained between sponsoring and the service in return agreed upon. Furthermore, all sponsoring activities have to be transparent, recorded in the shape of a written contract and need to serve a commercial purpose. In this respect the rules mentioned above under 3.2 are to be adhered to as well.

In addition to above-mentioned items, the directive covering donations and sponsoring contains more extensive detailed rules.

3.4 Selection of business partners

PFEIFER examines all offers tendered by suppliers in a fair and impartial manner. The examination and decision-making process as well as awarding and execution of orders must be effected according to strictly factual considerations and in a transparent way. Undue preference for or obstruction of suppliers is prohibited.

When selecting business partners, we demand from said partners that they share PFEIFER core values and adhere to any applicable provisions of the law. Violations on the part of the business partner may lead to a termination of business ties.

3.5 Fight against money laundering

The term money laundering describes the process of concealing the illicit origin of financial funds from criminal activities such as terrorism, drug trafficking or bribery by funnelling "dirty money" into the legal circular flow of finances and income. This serves the purpose of furnishing such illicit funds with the semblance of legality and concealing the origin and identity of the owner.

It is our goal to maintain business ties exclusively with reliable business partners, the activities of whom are in accordance with legal regulations and the financial means of whom are of legitimate origin. All our staff are obligated to adhere strictly to the laws against money laundering.

3.6 Trade controls

PFEIFER adheres to all laws governing export control as well as to tariff legislation as they are applicable in the respective countries where business is conducted. Export controls generally apply to the transfer of goods, services, hardware, software or technologies across certain national borders including by email. Export control laws might be applied in connection with direct and indirect exports or imports from or into sanctioned countries or also in connection with third parties. Violations of these laws and regulations may lead to serious penalties.

All staff concerned with import and export of goods, services, hardware, software or technologies as described above, are obligated to adhere to all applicable export-control and import laws and regulations as well as to all directives and processes pertaining to their activities.

4 Preventing conflicts of interest

PFEIFER sets great store by its staff not being drawn into conflicts of interest or loyalty while they complete their professional tasks. Such conflicts may arise if companies that belong to the PFEIFER Group conduct business with staff (or their close relatives) or with external companies that have close ties with PFEIFER staff (or their close relatives). Such business is to be disclosed to the respective superior before it is finalized.

PFEIFER does not get involved in party-political activities. Having said that, staff are by no means barred from contributing to political processes in their spare time and in an appropriate manner. We genuinely appreciate civic, social and charitable commitment on the part of our staff. Staff who commit themselves to such activities do so as private citizens. Such activities are by all means to be conducted in such a manner as to exclude conflicts of interest with work-related concerns.

If members of staff wish to take up secondary employment, they must announce such plans to the staff department and obtain prior written consent.

5 Dealing with company resources

PFEIFER is entitled to oblige all staff to protect the assets of the company. Such assets are e.g. real estate, operating equipment and stocks, cash funds; office equipment and supplies, information systems and software. Statutory violations such as fraud, theft, embezzlement and money laundering will be prosecuted according to both civil and criminal law.

All systems and equipment may only be used officially unless private use has been expressly allowed. When using the internet, staff must make sure by all means that no information of an indictable or indecent nature is downloaded or disseminated.

6 Dealing with information

6.1 Transparent reporting

As a company we depend on the trust of banks and of our business partners. All staff must make sure that books and records they produce within the framework of their work or that fall within the scope of their responsibilities

- are complete,
- are correct,
- reflect every transaction or expenditure truthfully, and
- are produced in accordance with applicable rules and standards

independent of whether the information is meant to be released to the public or to be presented to a government agency or not.

6.2 Confidentiality

Internal matters that are not to be announced publicly must be kept strictly confidential. The same applies to inventions and other know-how. Such elements are the cornerstone of sustainable success and guarantee the future of the PFEIFER Group. Thus staff may not pass on in any form new findings or company secrets such as patents, trademark rights and know-how to third parties, unless they are publicly available or the dissemination of which is scheduled due to the activity of staff for the PFEIFER Group and is in the interest of PFEIFER. This also applies after termination of employment.

6.3 Data protection and data security

Official records and data carriers are always to be protected from access through third parties. Taking effective precautions against such risks is both a task of the company leadership as well as every individual staff member, and an important component of IT management.

Personal data such as employee or business partner data may only be collected, processed or utilized on such occasions where this is necessary for fixed, unambiguous and legitimate purposes. In addition to that, personal data shall be kept safe and may only be transferred in accordance with the necessary precautionary measures. Both for data quality and for technical safeguarding against unauthorized access high standards must be maintained and guaranteed. Use of data must be transparent for parties affected; their rights as to disclosure and, if need be, objection, blocking or erasure of data shall be maintained.

All staff are under an obligation to adhere to the respective applicable laws in order to protect the personal rights of others.

6.4 Insider rules

Gaining of personal advantage for staff themselves or for others through the utilization of internal company information is not permissible. The same applies to unauthorized transfer of such insider information.

Furthermore, staff who are in possession of insider information relating to other companies (customers, suppliers, service companies), the securities of which are quoted on a stock exchange or other organised market, are not allowed to trade securities or financial instruments of such companies. The term "insider information" comprises specific pieces of information on circumstances that are not public knowledge and whose release to the public could have significant influence on the stock market price or market valuation.

7 Safety at work, environmental protection and sustainability

The protection of life and health of all staff as well as a responsible way of dealing with resources and pollutants go without saying for PFEIFER. It is the task of all staff to avoid hazards at the workplace, to make sure that we have as minor an effect on the environment as possible and to conserve resources. When developing and manufacturing our products we are to be guided by the principles of sustainability and environmental compatibility.

8 Implementation of the Code of Conduct

8.1 Compliance consulting

The Compliance Officer is to be responsible for the implementation of the Code of Conduct throughout the PFEIFER Group. He must guarantee independent and objective treatment of all matters addressed to him. In his position he answers directly to the executive board of PFEIFER Holding GmbH & Co. KG but is not to be subject to the executive board's direction.

All staff members of the PFEIFER Group are to adhere to the rules in this Code of Conduct. Executives bear special responsibility for its implementation. They have to convey the significance and the contents of this Code of Conduct to their respective staff, set an example and support staff in the implementation of said rules. This is not meant to limit the leeway that is afforded to staff to act independently within the scope of their respective responsibilities. Violators of this Code of Conduct will bear the consequences.

Adherence to applicable laws and this Code of Conduct will be monitored in all companies of the PFEIFER Group at regular intervals. This happens e.g. through the auditing of the PFEIFER Group or through external consultants.

The Compliance Officer will take up all incoming hints as to violations of the Code and shall pursue them with due diligence. All such hints shall be treated confidentially.

PFEIFER will make available such appropriate information to staff that helps them to avoid violations against applicable laws or this Code of Conduct. This includes in particular education on certain ranges of topics and selected hazard zones. If there are still questions that remain unanswered, staff are to refer them to their direct superiors, the respective managing director of their company or their corporate division, the staff department or the Compliance Officer.

8.2 Complaints and hints

All staff have the possibility and the right to report violations of the Code of Conduct as well as suspected cases to PFEIFER. Point of contact for such reporting shall be either their direct superior, the respective managing director of their company or their corporate division, the staff department or the Compliance Officer, at the discretion of the staff member making the report.

Staff members who on the basis of specific clues and acting bona fide have come to the conclusion that a violation of the Code of Conduct has been or could have been committed, and who subsequently make use of their right to report such a violation or suspected case to PFEIFER, may not be placed at a disadvantage because of this. PFEIFER will take all necessary measures in every individual case in order to protect the reporting staff from such disadvantages. As far as possible and legally permitted, PFEIFER will keep secret the identity of staff reporting a violation of the Code of Conduct, or a suspected violation according to these standards. The same applies to the identity of staff who participate in the solving of violations or suspected violations of the Code of Conduct.

8.3 Contact data Compliance Officer

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