

Code of Conduct

of Schmitter Hydraulik GmbH

As a business, our goal is lasting economic success. Every employee contributes to this success by fulfilling his/her* individual responsibility. However, the company is not merely concerned with successful completion of work, but also with the way the work is done. It is the company's earnest interest to ensure that all employees conduct their activities with economic, social, ecological and ethical responsibility within the following set of rules.

To provide orientation as to what behaviors are desired in the organization, the company has formulated the following guidelines, which are obligatory for all employees of Schmitter Hydraulik GmbH (hereafter called: Schmitter).

1. Responsibility toward the customer: economic responsibility

Schmitter's overarching economic goal is to do profitable business in the long term while achieving and maintaining a high degree of customer satisfaction. The company feels that its main task is to be fully dedicated to the customer's needs and serving them with market-oriented products, competent services, and sustainable solutions, and by guaranteeing a high level of quality, professionalism, and innovation.

- Schmitter guarantees honesty and integrity in all of its activities and expects the same from all business partners of the company.
- Confidential information is treated confidentially, company secrets are preserved unconditionally. Apart from that, Schmitter supports transparency and openness in all business processes.
- Schmitter appreciates its business partners and pays them respect by dressing appropriately and meeting them with courtesy and hospitality.
- Schmitter employees are principally forbidden to present customers, suppliers, or other business partners with gifts of any kind outside of the German legal parameters.

* For better readability, only the masculine pronoun will be used hereafter.

- Schmitter employees are principally forbidden to accept gifts from customers, suppliers, or other business partners outside of the German legal parameters.
- In order to protect our competitive advantages, Schmitter employees are principally forbidden to provide third parties with information about internal figures, processes, or relationships, or to make such information accessible to third parties.

2. Responsibility toward employees:

social responsibility

Schmitter accepts without reservation the values embedded in the German Constitution; in particular that the dignity of men is unimpeachable. Schmitter sees it as a matter of course to appreciate all employees in equal measure, irrespective of race, gender, age, origin, social standing, sexual orientation, political affiliation, or world view.

- Schmitter respects German labor law and guarantees compliance.
- Schmitter undertakes to provide all employees with a safe and healthy work environment. Schmitter endeavors to not only reduce but avoid work accidents.
- Schmitter promotes a positive company culture and encourages open exchange of information and cooperation among all internal departments.
- Schmitter gives all applicants a fair chance in their application for open positions.
- The privacy of all Schmitter employees is to be protected; data protection is guaranteed within the current legal parameters.
- Schmitter offers its employees qualified training opportunities, to allow them to conduct their assigned activities with up-to-date knowledge and skills.

3. Responsibility toward the environment:

ecological responsibility

Many natural resources are not renewable. Schmitter assumes responsibility for using finite resources sparingly and preserving them for coming generations through moderation.

- Schmitter recognizes the German environmental laws and ensures compliance.
- Schmitter condemns waste and endeavors to minimize it even when doing so does not result in any financial benefit. All Schmitter employees are instructed to reduce waste in their sphere of activity and whenever feasible to re-use rather than buy new goods.

4. Responsibility toward the shared world: ethical responsibility

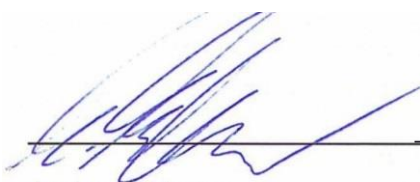
Ethical values and principals of conduct define Schmitter's identity and are the foundation of all of our decisions. They are neither incidental nor paramount, but rather are the very core of our character and our actions.

Schmitter's contribution to social well-being consists of doing profit-oriented business. It is how jobs can be secured in the long term, offering the greatest possible benefit to our shared society. Schmitter promotes the common good by supporting selected social projects. The company endeavors to provide its products primarily for civil applications.

Implementation and validity

This code of conduct becomes binding as soon as it is made known. Every Schmitter employee is responsible for complying with the code. Management and supervisors of all levels live by the code to set an example and guarantee compliance in their sphere of influence. Suppliers are also instructed to follow this or a similar code of conduct. Management is responsible for monitoring the implementation of the norms defined in this code and to incorporate changes in legal parameters.

Hammelburg-Westheim, on 02 May 2014

A blue ink signature of Andreas Meder, consisting of a series of fluid, overlapping loops and strokes.

Andreas Meder

A blue ink signature of Matthias Richter, featuring a large, stylized 'R' followed by the name 'ichter' in a cursive script.

ppa. Matthias Richter