

FORMING THE FUTURE



CODE OF CONDUCT COMPLIANCE PRINCIPLES

SCHULER 

Member of the ANDRITZ GROUP

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IMPORTANT NOTE

To improve readability and for the sake of simplicity, only the masculine form is used in this brochure. Of course, the female form is always implied as well.

1. FOREWORD FROM THE SCHULER AG EXECUTIVE BOARD

DEAR COLLEAGUES,

We take a value-oriented approach to corporate management with an obligation to pursue the interests of our shareholders and employees. **Reliability, esteem, motivation, innovative strength, integrity** and **abiding by the law** are the values which guide our company as the leading provider of forming technology worldwide. Legal issues in particular play an ever greater role in the structuring of our business model. We are **consistent** when it comes to complying with the rule of law and do not tolerate violations. This also includes the payment of taxes due.

Bribes, cartel agreements and similar instruments are not how we close contracts. We would rather lose business and fail to achieve internal targets than break the law.

All board members and managers, all senior executives and all other employees must be aware of the great risks that the Schuler Group and they personally will face if laws are broken. Therefore, the Schuler AG executive board has adopted the following Code of Conduct in order to help you and Schuler avoid violations of the law as well as maintain our excellent reputation with customers, the authorities and the general public.

This Code cannot possibly cover every intricacy of daily professional life. It is, however, a binding guideline and an overarching framework for orientation. Our corporate culture, which is characterized by openness and fairness, obligates each individual employee to familiarize himself with the requirements relevant to his position and take advantage of the training opportunities offered by the compliance department.

Let us do everything we possibly can in this regard to ensure the continued and lasting economic success of the Schuler Group.

SCHULER AG

Domenico Iacovelli

Norbert Broger

Dr. Peter Jost

2. COMPANY VALUES AND COMPLIANCE PRINCIPLES

It is the following **core values** that dictate our actions, that guide and help us shape the future of the company:

“We are a reliable partner for leading metalforming solutions.”

“We value our employees and business partners.”

“Based on our traditions, we are open to innovations.”

“We implement our ideas in a lively and performance-oriented manner.”

“We always act in a consistent and concentrated manner.”

In order to ensure our sustainable success and excellent reputation among our business partners and the public, the following principles apply for all employees with regard to their **conduct**:

1. WE HAVE CLEAR RULES OF CONDUCT FOR ALL EMPLOYEES.

2. WE ARE COMMITTED TO OUR RESPONSIBILITY TOWARD SOCIETY AND THE ENVIRONMENT.

3. WE HAVE A CONTEMPORARY, FAIR AND MOTIVATING MANAGEMENT CULTURE.

4. WE ENSURE SUSTAINABLE SUCCESS FOR OUR INVESTORS.

5. WE ARE FIRMLY COMMITTED TO FAIR AND LAW-ABIDING BUSINESS CONDUCT.

6. WE STRICTLY MONITOR COMPLIANCE WITH OUR CONDUCT GUIDELINES.

3. GENERAL PRINCIPLES

“WE HAVE CLEAR RULES OF CONDUCT FOR ALL EMPLOYEES.”

Schuler AG, including all Group companies (referred to as Schuler in the following), undertakes to meet its social responsibility in all corporate activities. In all business decisions and actions it takes, Schuler shall comply with the respective laws and other significant regulations of those countries in which it operates. Each employee is responsible for observing the respective legal system. Business partners are treated fairly and contracts are honored.

3.1 RULES OF CONDUCT AFFECTING ALL COMPANY EMPLOYEES

All Group employees contribute toward a corporate culture characterized by fair and cooperative collaboration. Tolerance, respect and trust in our daily dealings with each other are among the basic convictions of our managers and employees. Moreover, all employees are committed to responsible and ethical behavior. The personality and dignity of each individual must be respected. Mutual respect is based on an inner conviction and a willingness to act. This also means that problems in the workplace are addressed and solutions sought together. Only then can we achieve an atmosphere characterized by openness, tolerance and fair play.

3.2 RULES OF CONDUCT FOR EMPLOYEES

SCHULER expects employees to contribute toward a positive working atmosphere through their behavior with each other. The opportunity to get to know other cultures and mentalities during collaboration is enriching for all employees. It also promotes the motivation and enthusiasm of staff and is the basis for the company's sustainable success and value growth.

3.3 RULES OF CONDUCT FOR MANAGERS

By taking a value-based management approach with the necessary leadership actions and practice, managers support tolerance and fairness in their dealings with staff. The conduct of our managers helps ensure that the personality and dignity of all employees is respected. Their open-minded attitude toward staff creates a working environment which encourages the open exchange of ideas. They cultivate respectful relationships with each other by displaying courtesy, friendliness and mutual respect. As part of their managerial responsibilities, managers seek to prevent unacceptable behavior. They act as mediators in the case of conflict situations.

3. GENERAL PRINCIPLES

3.4 RULES OF CONDUCT IN DEALINGS WITH THIRD PARTIES

All employees, especially managers, are aware that their behavior also reflects on the company and thus shapes its external reputation and internal culture. All employees treat others in the same way as they expect to be treated themselves. This results in fair and respectful dealings with customers and other business partners. This naturally also applies to all employees of contractors working for our company. Fairness and respect also apply to our own public presentation of the company.

3.5 RULES OF CONDUCT FOR DATA HANDLING

All records must provide true and accurate information. Proper accounting and balancing principles must be followed. All business transactions must be recorded as they occur; information must be recorded in a complete, accurate, timely and factual manner.

4. PRINCIPLES OF SOCIAL RESPONSIBILITY

“WE ARE COMMITTED TO OUR RESPONSIBILITY TOWARD SOCIETY AND THE ENVIRONMENT.”

4.1 RESPECT FOR HUMAN RIGHTS

We are part of society and promote its development according to our abilities. We respect the personal dignity of each human being. Schuler respects and supports the observance of internationally recognized human rights. Within the framework of the applicable laws and rights, we undertake to counter all forms of discrimination. This refers in particular to discrimination of employees as a result of their gender, race, disability, ethnic or cultural origin, religion or beliefs, age or sexual orientation. This applies both to internal collaboration and our behavior toward external partners. Our corporate culture is committed to this principle.

4.2 SOCIAL ACCEPTANCE

Social acceptance of our various activities is a prerequisite for our long-term and sustained corporate success. We realize that our reputation is shaped by the manner, actions and behavior of each individual in our Group. All employees must respect Schuler's reputation in society and observe this principle in the fulfillment of their duties.

4.3 SUSTAINABILITY & ENVIRONMENTAL PROTECTION

We are guided by the principles of sustainability. We are aware of the scarcity of natural resources and our responsibility for future generations. As a consequence, we ensure that our products and manufacturing processes meet the conditions for sustainable development with regard to the three elements: ecology, economy and social affairs. All employees act in accordance with these principles in their respective workplace.

Schuler has made a long-term commitment to the goal of environmental protection for present and future generations. Laws introduced to protect the environment are to be observed. Schuler encourages environmental awareness in the actions of its employees. Protecting the environment for present and future generations and complying with all applicable environmental laws and guidelines is a fundamental concern for Schuler. The company expects and supports environmental awareness in all actions undertaken by its employees. This applies in particular to the use and development of new products and manufacturing technologies which conserve natural resources, enable recycling, reduce pollution to a minimum, and preserve our natural environment.

4.4 DONATIONS

Schuler makes donations in the field of education, science, art, culture and social affairs. Donations must always be made in a transparent manner. The recipient of the donation and its specific use by the recipient must be known and traceable. Public accountability must be ensured at all times. More detailed information on the subject is provided in guideline 128, entitled “Corporate Social Responsibility.”

5. PRINCIPLES OF RESPONSIBILITY TOWARD STAFF

“WE HAVE A CONTEMPORARY, FAIR AND MOTIVATING MANAGEMENT CULTURE.”

Schuler ensures occupational health and safety within the framework of national regulations. Ongoing efforts to improve working conditions are supported. Schuler respects the right of association of its employees within the framework of applicable laws and regulations. Schuler rejects all forms of forced labor and/or child labor.

5.1 MANAGEMENT CULTURE

All our managers bear responsibility for their employees. They must acquire the respect of their staff by means of exemplary personal behavior, performance, openness and social skills. Managers place trust in their employees and agree clear, ambitious and realistic goals, allowing employees as much individual responsibility and scope for decision-making as possible.

5.2 EMPLOYEE DEVELOPMENT

Schuler owes its success to the knowledge, experience and commitment of each individual employee. Schuler invests in the training and expertise of its staff; commitment and performance are particularly encouraged. In this way, we seek to safeguard the company's future prospects.

5.3 FAIRNESS, TOLERANCE AND EQUAL OPPORTUNITIES

We respect all employees equally – regardless of nationality, culture, religion, belief, disability, ethnic origin, gender, sexual orientation or age. As a globally operating corporation, we treat our employees fairly and openly as well as with understanding and tolerance. The company therefore expects each employee to treat colleagues, employees and third parties in a proper, friendly and fair manner.

5.4 PUBLIC BEHAVIOR

Schuler generally encourages the involvement of staff in public functions at a local or national level. Should such activities involve Schuler, however, the employee's supervisor must be informed in advance. Employees must ensure that their public appearances do not harm the reputation of Schuler. When expressing private opinions, no reference should be made to the employee's own role or job within the company. All media communication on behalf of Schuler is made exclusively via the Corporate Communications department or only after prior consultation with this department.

5. PRINCIPLES OF RESPONSIBILITY TOWARD STAFF

5.5 AVOIDING CONFLICTS OF INTEREST

It is important for Schuler that employees are not exposed to any conflict of interest or loyalty in the course of their official duties. Such conflicts can occur if an employee acts on behalf of another company or has an interest in it. It is therefore not permitted to operate a business, nor to hold a substantial direct or indirect interest in a company, which competes partially or fully with companies of the Schuler Group, or has business relations with such companies. The exception to this rule are secondary employment and investments which are proven to have no influence on the employee's activities at Schuler. This does not affect the existing regulations of Group companies to report secondary employment.

5.6 DATA PROTECTION, CONFIDENTIALITY AND PROTECTION OF THIRD-PARTY RIGHTS

Schuler requires its employees to secure and preserve the business and/or trade secrets of Schuler and its business partners. Business and/or trade secrets may not be disclosed without authorization nor otherwise made available, unless explicit authority for such disclosure has been granted or said information is in the public domain. Employees must maintain strict secrecy regarding all business and trade secrets, both during their term of employment and after its completion. Employees must adhere to the guidelines regarding use, access and security for software, information technology, e-mail, Inter-/intranet and voice mail systems. All data protection regulations, including the company's internal rules, must be observed.

Personal data may only be acquired, processed or used insofar as it is necessary for specified, explicit and legitimate purposes. High standards must be upheld with regard to data quality and technical protection against unauthorized access. The use of data must be transparent to those concerned. Their rights to information and correction, as well as objection, blocking and deletion where necessary, must be respected.

Patents, inventions and other intellectual property are essential for the success and future of Schuler. No employee may therefore pass on new information or trade secrets in any form to third parties; official documents and data media must always be protected against access by unauthorized persons.

All employees must respect the valid property rights of third parties; their unauthorized use is forbidden. No employee may gain unauthorized access to third-party secrets nor utilize such secrets. Company property may only be used for business purposes.

6. PRINCIPLES ON BUSINESS CONDUCT – ANTITRUST LAW

“WE ARE FIRMLY COMMITTED TO FAIR AND LAW-ABIDING BUSINESS CONDUCT.”

National and international regulations govern how Schuler sells its products and technologies and how it may contact its competitors. The relevant provisions are binding for Schuler. Each individual employee is obliged to comply with these regulations.

Schuler and its employees respect the principle of fair competition. The company therefore observes the relevant laws which protect and promote competition, in particular the applicable antitrust laws and other legislation regulating competition.

In dealing with competitors, these regulations prohibit in particular all agreements and other activities which affect prices or conditions, allocate sales territories or customers, or otherwise illegally hinder free and open competition. Moreover, these regulations prohibit agreements with customers and suppliers which seek to restrict customers in their freedom to independently determine their own prices and conditions on resale (so-called determination of pricing and conditions).

In consideration of the fact that the borders between prohibited cartels and permissible cooperation can sometimes be blurred, employees should contact their Compliance Officer in all cases of doubt.

Market participants can only develop freely in an environment of fair competition. We therefore uphold the principle of integrity in our competition for market share. All employees are obliged to respect and observe the rules of fair competition. In particular, employees may not hold talks with competitors in which prices or capacities are agreed, or information on prices and capacities is shared. Agreements with competitors not to compete, or to submit bogus bids for contracts, or to allocate customers, territories or production programs are not permitted. This also includes informal talks, informal gentleman's agreements, or concerted actions with the aim of bringing about one of the above mentioned competitive restrictions.

IMPORTANT NOTE

More detailed information on this subject is provided in the “Antitrust Law Guideline” and the related “Antitrust Law Leaflet.”

7. PRINCIPLES ON CONDUCT TOWARD BUSINESS PARTNERS

“WE HAVE A RESPONSIBILITY TO OUR CUSTOMERS AND SUPPLIERS.”

In competition for contracts, we rely on the quality and benefits of our products and services for our customers as well as on reasonable prices. We support national and international efforts to stop competition being affected or falsified by bribery. In our dealings with business partners (customers, suppliers, cooperation partners) and state institutions, we strictly differentiate between the interests of the company and the private interests of employees on both sides. All actions and (buying) decisions must be made independently of any extraneous considerations or personal interests. The respective valid legislation on corruption must be noted and observed.

The following should be noted in particular:

7.1 BUSINESS CRIMES

Schuler's management and employees are not allowed to offer, promise, demand, grant or accept any gifts, payments, hospitality or services in their business dealings which are granted with the intention of influencing a business relationship in an improper manner or which threaten to jeopardize the professional independence of the business partner. This is generally not the case with gifts and invitations within the scope of normal business hospitality, customs or politeness. Further information can be found in the “Corruption Prevention Guideline.”

7.2 CRIMES IN CONNECTION WITH PUBLIC OFFICIALS

Anti-corruption laws forbid the granting of donations to domestic and foreign government officials, civil servants, political or military authorities, and representatives of international organizations (such as the United Nations and the World Bank) with the intention of receiving orders or other benefits for Schuler. The granting of personal benefits (especially of a monetary nature, such as payments and loans, including the granting of even small gifts) by Schuler and its employees to public officials (such as civil servants or employees in the public service) is not permitted.

Gifts, services, payments and loans granted by Schuler to political parties, committees, elected officials or candidates are only permitted if they comply with applicable laws and local regulations and were approved in advance by Schuler's executive board.

7. PRINCIPLES ON CONDUCT TOWARD BUSINESS PARTNERS

7.3 CRIMES IN CONNECTION WITH EXPORT TRANSACTIONS

Both national and international, extraterritorial foreign trade and customs laws determine where and how Schuler is allowed to sell its products and technology or disclose information. In some cases, it is forbidden by law to do business with certain countries; in other cases, it is forbidden to export goods or transfer services and technologies without official permission. Customs laws require a detailed description, complete breakdown and accurate value indication of all goods to be exported.

Anti-boycott laws may prohibit participation in boycotts of other countries and limit the disclosure of information about business activities and persons. They may also specify that authorities must be informed about certain requests to disclose information or participate in boycotts.

These international trade laws are very complex. The consequences of violating these laws can be significant for the company and the persons involved and include fines and even imprisonment. For all questions regarding the application of these laws in an employee's own area of responsibility, staff are encouraged to contact their respective Export Control or Customs Officers.

7.4 OFFERING AND GRANTING BENEFITS

Benefits of all kind offered or granted by employees of Schuler AG to public officials or employees of private companies with the aim of receiving orders or unfair advantages for Schuler or any other persons are forbidden.

Courtesy gifts up to a certain limit which are in line with generally accepted business practices are to be handled in accordance with those binding laws applicable to us and the corresponding internal guidelines. In all situations, they should be chosen in such a way that the recipient is not required to conceal their acceptance and is not forced into any form of dependency.

Business and project-related travel expenses of public officials or non-officials are only reimbursed to a reasonable extent. The applicable regulations must be observed. Reimbursements must be granted in such a way that they do not have to be concealed by the recipient ("publicity test").

7. PRINCIPLES ON CONDUCT TOWARD BUSINESS PARTNERS

7.5 DEMANDING AND ACCEPTING BENEFITS

Gifts from business partners correspond to a certain extent with generally accepted business practices. However, their acceptance may lead to conflicts of interest and jeopardize the good reputation of our company. No employee may use his position or function within the company to demand, accept or procure personal benefits. The acceptance of occasional gifts of minor value is permitted. Gifts and other benefits for the employee or related persons in excess of the aforementioned limits must always be declined. In such cases, employees must inform their superiors about the gifts or other benefits offered to them.

7.6 EFFECT OF THIS GUIDELINE ON SUPPLIERS

Schuler agrees to inform its direct and indirect suppliers with regard to the principles of this Code of Conduct. Moreover, it shall encourage its suppliers to comply as far as possible with the content of this Code of Conduct and urge them to also observe its guidelines.

7.7 ADDITIONAL GUIDELINES

Schuler has issued binding guidelines on the acceptance and granting of gifts, as well as invitations for hospitality and entertainment. They provide detailed information with regard to appropriate gifts of minor or symbolic value, appropriate business meals and appropriate events of their own company and of their business partners (customers, suppliers). Should Schuler employees face a conflict of interest, or be uncertain as to whether a conflict of interest exists or could arise, they are obliged to contact the Compliance Officer for advice.

IMPORTANT NOTE

More detailed information on the subject is provided in the "Corruption Prevention Guideline."

8. PRINCIPLES ON CONDUCT TOWARD INVESTORS

“WE ENSURE SUSTAINABLE SUCCESS FOR OUR INVESTORS.”

8.1 RESPONSIBLE CORPORATE GOVERNANCE

The main objective of Schuler AG is to achieve sustainable growth in the company’s value. This is documented by the ambitious target returns it sets and a dividend payment which is based on the company’s respective success. In addition to the interests of our shareholders, the interests of our customers, employees, suppliers, lenders and other stakeholders are taken into account.

Current laws, the Articles of Incorporation and the internationally recognized standards summarized in the German Corporate Governance Code provide the basic structure for a responsible, transparent and value-driven corporate governance system. By regularly monitoring the key functions of our management and control system, and making the necessary adjustments, we ensure that we can meet both our economic goals and all legitimate requirements. Schuler’s employees align all their activities and behavior with this corporate philosophy. They think and act in an entrepreneurial manner.

8.2 BUYING SHARES AND THE PROHIBITION OF INSIDER TRADING

Following the delisting which became effective at the end of October 2014, Schuler shares are now exclusively traded on the unlisted market at the Munich Stock Exchange; the prohibition on insider transactions pursuant to §14 para. 1 WHG continues to apply, even though the legal insider responsibilities under this law are now somewhat diminished.

All Schuler employees are basically entitled to deal with shares or other securities of Schuler AG, without restriction. Due to legal regulations, however, all our employees are, without exception, forbidden from

- using inside information, regardless of whether it was acquired as intended in the context of a functional responsibility or from a third party, in order to buy or sell shares or other securities of Schuler AG, or any company belonging to Schuler AG, or securities or derivatives pertaining to the company that are publicly traded, for their own account or for a third party or on behalf of another person,
- disclosing inside information to a third party without authorization or providing access to such information,
- recommending the purchase or sale of insider securities of Schuler AG on the basis of inside information, or encouraging a third party to do so in any other manner.

Inside information is any specific information concerning facts not publicly known relating to a company belonging to Schuler AG or to insider securities of Schuler AG itself, and which is capable of significantly influencing the stock exchange or market price of insider securities of Schuler AG should this information become public knowledge.

9. COMPLIANCE AND MONITORING

“WE STRICTLY MONITOR COMPLIANCE WITH OUR CONDUCT GUIDELINES.”

9.1 SPECIFICATION IN THE FORM OF INDIVIDUAL GUIDELINES

In addition to this general Code of Conduct, the Chief Compliance Officer may introduce specific behavioral guidelines on individual compliance issues for employees of the Schuler Group. These individual guidelines and the resulting obligations will be announced.

9.2 INFORMATION

Schuler works to ensure that this Code and any additional individual guidelines are observed by management and all company employees. A copy of this Code of Conduct is to be handed to each employee. It is the responsibility of every Schuler manager to ensure that the staff members assigned to them know this Code of Conduct.

9.3 PREVENTION AND QUERIES

All Schuler employees are obliged to contact their company's Compliance Officer or the Chief Compliance Officer (CCO) of Schuler AG if they are uncertain about correct behavior in specific situations. Please find the contacts details on the intranet's "Compliance" microsite.

9.4 MONITORING THE CODE OF CONDUCT

Compliance with the Code of Conduct is monitored by the Group's Internal Audit division, which has included the Code's regulations in its audit criteria. Any violations of the Code which are discovered are to be reported to the Chief Compliance Officer (CCO).

9.5 VIOLATIONS AND SANCTIONS

Violation of this Code of Conduct or other company guidelines/regulations may not only result in disciplinary measures, but also lead to civil and/or criminal proceedings which can result in fines and/or imprisonment.



DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT ("COMPLIANCE DECLARATION")

I hereby attest that I have received a copy of the Schuler AG Code of Conduct. I have read and understood the provisions and regulations relevant to compliance and commit to uphold them.

I have been informed that current versions of the respective provisions and regulations relevant to compliance can be obtained and are made available to me through the Schuler intranet as well as the local Compliance Officer or Schuler AG Chief Compliance Officer.

First name: _____

Surname: _____

Schuler location: _____

Date

Signature

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