



KVG Quartz Crystal Technology GmbH

Company Ethical Statement

"The Company", like any other community, is made up of a diversity of people who have differential relations to one another. Some may be relations of power, as in the connection between employer and employee; engineering or in technical experience level; or in relations based on cultural and/or ethnic difference and social roles.

Such a community, then, if it wishes to function with due regard to human rights and dignity, ought to have an interest in ensuring a pattern of behaviour - that is, behaviour which acknowledges and protects principles such as fair representation and just dealing - among all its members. Thus, though all members of a Company based community may seek and attain certain rights, they should exhibit symmetrical respect toward other members of the same community, who also have their rights.

Moreover, the Company as an institutional and administrative entity also has rights and responsibilities. The principles set out below propose ways by which the Company and its members may co-exist, co-operate and collaborate to form a community in which everyone's rights are observed and protected.

In general, the responsibilities of the Company as a community are to

- ensure that the working environment of the Company is safe and rewards individuals financially and professionally
- act to provide maximum inclusion of employees in the opportunities that the Company provides
- foster recognition of mutual obligations both as a member of the Company and, where relevant and appropriate, as a member of a profession/discipline/employment position
- respect the individual's right to privacy, and to undertake to keep personal information in confidence
- encourage members to consider the impact of action (or non action) on others, on the Company and on society
- provide an appropriate environment for all its members so that they may express ideas, theories and beliefs freely
- provide mechanisms for safeguarding human rights
- promote positive changes in Company structures and processes to enhance the well-being of employees and the Company
- encourage individuals to conduct themselves conscientiously
- foster loyalty to one's colleagues and co-workers, and to encourage collegiality among members of the Company community

The Company's performance is monitored through a scorecard approach whereby four core objectives pertaining to customer, process, employee and financial parameters are interpreted through a set of metrics.



KVG Quartz Crystal Technology GmbH

Specific principles

The Company

Attitude to Individual Rights

The Company accepts the principles stated in declarations and charters such as the Universal Declaration of Human Rights, and accordingly seeks to foster a working environment that, as well as being safe, protects the rights of Individuals.

Thus, for instance, individuals should have the right and responsibility to make decisions on their own behalf. The Company should facilitate such decision-making, but should, at the same time, protect the rights and dignity of the Individual.

Principles of individual equity should underpin decision-making so that both individuals and the corporate body are encouraged to respect the rights of others. Where there is a conflict because of competing rights, various Company instrumentalities (worker committee, arbitral procedure ect.) may be used to resolve issues.

The individual's privacy is to be respected at all times. The Company does not accept any position where an individuals personal information is to be used for any purpose apart from the strictly applied needs of the Company.

Freedom of Ideas and Freedom of Speech

The Company respects the inherent right of individual staff to intellectually explore new concepts and to develop these through informed discussion. The concept of freedom of thought and speech is one respecting the right of persons to express ideas, theories and opinions. Such freedom should be extended to all staff in order that they be encouraged to develop skills of reasoning and to explore new ideas which advance the interests of the Company.

The Impact of Company Activities

The Company should constantly seek to ensure that all its activities serve to benefit its stakeholders and to meet the Companies Vision.

For instance, research and development activities include assessment of the short-, medium- and long-term impact of Company projects so that appropriate judgements and decisions may be made.



KVG Quartz Crystal Technology GmbH

The Impact of Company Activities on the Environment

The Company should seek, on the one hand, to preserve and restore the environment to its natural condition and to, on the other hand, minimise any negative or destructive effect upon the environment resulting from Company practice.

The Company will implement systems to monitor the actions of its vendors, suppliers and contractors to determine compliance with acceptable practice in regard to the environment. The Company will not procure goods or services from external entities which may act in a negative or destructive manner towards the environment

The Company will take an active role in ensuring toxic, dangerous or environmentally damaging materials and substances are collected at the end of their useful life and returned to appropriate agencies for safe recycling.

Energy conservation will be actively promoted and the Company will maintain a benchmark system for determining trends in energy conservation.

The Individual

The Autonomous Person

All members of the Company have rights and responsibilities which they may exercise according to their designated position, their role or function within the Company, and the policies and regulations of the Company. Each member of the Company community, however, should be recognised as a person in her or his own right. Likewise, that person should also recognise the rights and dignity of other individuals, stakeholders and the Company.

The Company will not utilise labour reasonably considered to be child labour or disadvantaged persons who are exploited on the basis on sub standard wages or salary levels. The Company will not employ staff in other countries whereby such staff are pay minimal or sub standard wages according to the International Labour Organisation levels.



KVG Quartz Crystal Technology GmbH

Freedom of Ideas and Freedom of Speech

Individuals have the right to express their ideas, theories, beliefs and values and should respect the rights of others to do likewise. It has traditionally been the Company's role to question held beliefs and structures, as well as to offer new technologies and approaches. However, some particularly personal beliefs, perhaps inherently outside of one's profession or functional role may not legitimately be considered as falling within this in clause. Members of the Company should consider carefully whether the dissemination of such beliefs or ideas might not be regarded as ethically outside the Company's intellectual, administrative or stakeholder obligations.

Individual Responsibility

Members of the Company should demonstrate integrity, objectivity and conscientiousness by an honest approach to their various employment and activities, including personal application to Company priorities, mentoring, intellectual contribution and other business activities, by respecting the rights of others, and by ensuring that activities of individuals and groups in the Company are in accord with general ethical principles.

Professional Practice

Originality of research, appropriate acknowledgment of ideas and material, and fair and honest dealing with the original material and research of others are responsibilities of the members of the Company. The codes of ethical practice set out in specific Company and professional documents provide staff with the expected standards of practice and behaviour, both as engineers and as members of a particular profession/discipline. These standards are set to achieve a positive example within the Company.

Loyalty to the Company

It is both reasonable and desirable that all members of the Company be able to question or criticise the philosophy, statement of intent, economic dealings and other activities of the Company. By reciprocal care staff should not act so as to bring the Company into disrepute through behaviour or speech, or through acts which may be emotional, illegal, unjust or inequitable.

Responsibility to Colleagues

Members of the Company should not behave in ways which might cause discredit or unnecessary disquiet to the area with which they are affiliated. The convergence of loyalties to one's discipline and/or one's affiliation may occasionally conflict with responsibility to the Company. Members may resolve such conflict through reasoned informed discourse consistent with both general and Company ethical principles.



KVG Quartz Crystal Technology GmbH

Conflict of Interests

Members of Company staff should take all reasonable measures to avoid any situation in which they may have, or be seen to have, a conflict of interest with all other stakeholders. In particular, staff should avoid situations requiring them to supervise, mentor or assess other staff member with whom they have, or have had, a sexual, commercial, familial or other significant relationship.

Business Practice

Business practice varies from country to country and Members of Company should avoid judgemental positions in regard to such practice. Members of Company staff should point out the inefficiency and higher cost that accrues from such practice and directly avoid being engaged in any practice whereby favours of any kind are applied in return for consideration from any client or customer group.

Any client demanding or requesting favour is to be referred to in country partners, agents or other intermediary's without direct intervention by the Company or its staff.

A handwritten signature in black ink, appearing to read 'Manfred Klimm', with a long horizontal stroke extending to the right.

Manfred Klimm
President

A handwritten signature in black ink, appearing to read 'Gerd Krauskopf', with a long horizontal stroke extending to the right.

Gerd Krauskopf
President