

International Framework Agreement

between STAEDTLER,

IG Metall Germany

and Building and Woodworkers' International (BWI).

STAEDTLER, based in Nuremberg, Germany, is a leading international manufacturer of writing and drafting instruments. STAEDTLER is represented in over 150 countries world-wide and on all continents. The successive expansion to ten production affiliates and 24 sales affiliates world-wide (see attachment) clearly underlines the international character of the company. The STAEDTLER Group employs approximately 3000 employees around the globe.

STAEDTLER is one of the richest in tradition industrial companies in Germany. The company's roots and its founding traditions play a significant role in STAEDTLER's business today despite increasing globalisation. In view of this tradition, STAEDTLER has made a commitment to ecological and social obligations in line with ethical principles.

STAEDTLER, IG Metall and BWI recognise that sustainable, positive growth of the writing and drafting instruments industry is in the interests of both the company and its workforce.

The undersigned emphasise the need for a transparent and democratic social dialogue and for fair negotiations with employees' representative bodies and their trade unions.

The undersigned recognise that bribery, corruption and uncompetitive business practices destroy markets and impede economic and social development.

The undersigned emphasise the fundamental principles of human rights defined in the "Universal Declaration of Human Rights" (1948), the "ILO Declaration on Fundamental Principles and Rights at Work and its Follow up" (1998), the "Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the ILO" (2000) and the "OECD Guidelines for Multinational Enterprises" (2000).

The undersigned are committed to working towards these aims, in order to attain both social justice and sustained positive development in the activities and undertakings of STAEDTLER and its contractual partners and suppliers. STAEDTLER, IG Metall and BWI, as parties to this contract, will work together towards this aim.

Thus STAEDTLER is obliged to enforce the following principles in its manufacturing and sales companies, with particular emphasis on the core labour standards and recommendations of the International Labour Organisation (ILO).

1. Elimination of Forced Labour

There shall be neither compulsory labour, debt bondage nor forced prison labour (ILO Convention Nos. 29 and 105).

2. No Discrimination in Employment

All employees shall enjoy equal treatment, irrespective of their social and ethnic origins, skin colour, sex, religion, political opinion or other distinguishing characteristics. Employees shall receive equal remuneration for equal work at the respective national rates (ILO Convention Nos. 100 and 111). Migrant workers and employees recruited for work overseas must enjoy at least equal conditions as domestic employees in the country of employment.

3. Elimination of Child Labour

Children shall not be employed to work. Employees shall be aged above the age of fifteen years or above the minimum school-leaving age (ILO Convention No. 138). Children below the age of eighteen years may not carry out any work which, by its nature or circumstances, can adversely affect their health, safety or morals (ILO Convention No. 182).

4. Effective Recognition of the Freedom of Association and the Right to Collective Bargaining

All employees shall enjoy the right to join or establish trade unions, form collective workers' representations and negotiate working conditions (ILO Convention Nos. 87 and 98). STAEDTLER takes a positive view of trade union activities and holds an open attitude towards of unionisation activities. STAEDTLER and the respective workers' representations shall work together in a mutually trusting manner. STAEDTLER is committed to a policy of non-interference with unionisation endeavours and guarantees not to discriminate against employees' representatives and furthermore to grant them access to the entire working premises and all workplaces so as to allow them to properly exercise their function as employees' representatives (ILO Convention No. 135 and Recommendation No. 143).

5. Payment of Decent Wages

Wages and other benefits for a regular working week must reflect the legal and valid minimum standards within the industry or branch, and appropriate to the sector in which the employment is carried out. Wage deductions shall only be effected with the explicit consent of the employee concerned, except for deductions stipulated by national legislation. All employees shall receive comprehensible written and verbal information about wage conditions in the language of the country of employment.

6. Elimination of Excessive Working Hours

The hours of work are defined according to applicable national legislation, the collective labour agreement and norms appropriate to the industry.

7. Safe and Healthy Working Conditions

STAEDTLER shall maintain at least the minimum national standards for safety, health and hygiene in the workplace (ILO Convention No. 155) and will carry out the appropriate measures to safeguard health and safety in the workplace. Based on the ILO Guidelines for the Management of Work Protection, STAEDTLER will systematically implement safe and healthy working conditions in all of its affiliates. The basic principles hereto are provided by the "Integrated Safety" Management System, which is a self-appraisal of the safety standards throughout the company, and was adapted by the Professional Association for Woodworkers. Employees shall receive appropriate training about work-related health risks and their prevention.

8. Professional Training

Employees are offered the opportunity to participate in educational and training programmes. These include training procedures to improve employees' proficiency with respect to the use of new technologies and machinery.

9. Prevention and Social Benefits

In line with the HIV/Aids Code of Practice of the ILO, an HIV/AIDS education and prevention programme will be offered wherever appropriate. Should employees be offered living accommodation, such accommodation shall be designed, built and maintained in such a manner that they constitute decent living conditions.

10. Conditions of Employment are Defined

STAEDTLER shall fulfil its obligations towards its workforce with respect to national employment laws and regulations concerning social protection with regards to regular employment.

11. Contract Partners, Subcontractors and Suppliers

The respect of employees' rights is an integral part of STAEDTLER's continuing development, and STAEDTLER will therefore aim to collaborate only with those contract partners, subcontractors and suppliers who recognise and also implement the above-mentioned criteria. In this respect, STAEDTLER will inform its contract partners about the Agreement it has entered into. When entering into contracts with suppliers, STAEDTLER will take up the appropriate clauses in the contract and will require suppliers to fill in a questionnaire regarding their own compliance with the clauses to the Agreement.

12. Implementation and Evaluation

STAEDTLER shall inform its employees in all its affiliates about this agreement in the language of the country of employment.

STAEDTLER shall ensure that the agreement is implemented by means of appropriate internal measures. These measures will include:

- information und instruction
- integration in management systems und controlling
- establishment of local responsibilities
- inclusion in handbooks and guidelines, as far as available
- inclusion in purchasing guidelines and contracts with suppliers, as far as possible
- obligation to report to the Board of Directors
- inclusion in the internal, international audit procedures
- inclusion in the agreements on objectives which form the basis of the variable salary plan of Managing Directors.

A monitoring team will be instated consisting of representatives of STAEDTLER (Managing Directors, internal auditors and members of the works council), IG Metall and BWI. The monitoring team will hold its first meeting in 2007 and bi-annually thereafter, in order to evaluate and supervise the implementation of the agreement. The meetings shall be held at all sites of the STAEDTLER Group. The place of the respective meeting will be determined in advance by a unanimous decision of the monitoring team. Local trade unions and/or employees' representatives will be granted the right to participate in the meetings of the monitoring team.

Monitoring costs will be borne by STAEDTLER. All members of the monitoring team will receive the appropriate information necessary to performing their task.

13. Duration

This Agreement will remain valid until one of the parties to the contract revokes it in writing observing a period of notice of three calendar months to the end of a month.

The German version of this Agreement is the authoritative version.

Nuremberg, 10th of November 2006

STAEDTLER

IG Metall

Building and Woodworkers International (BWI)