

International Framework Agreement

between Schwanhäußer Industrie Holding GmbH & Co KG, 90562 Heroldsberg, Germany and IG Metall, Germany / International Federation of Building and Wood Workers (IFBWW).

Schwanhäußer Industrie Holding GmbH & Co. KG (Schwan STABILO), based in Heroldsberg, Germany, is an internationally leading producer of instruments for writing, drawing, painting, and of cosmetics. Stabilo has production locations and sales subsidiaries in 14 countries (see appendix).

The International Federation of Building and Wood Workers (IFBWW), is the leading global trade union organisation for the protection of workers in the building and building materials industry, wood, forestry and allied industries. The IFBWW organises some 10.5 million members in 278 trade unions in 125 countries around the world.

Schwan STABILO is aware of the social and ethical responsibility which the globalisation of the company and its markets place on it. Consequently, Schwan STABILO commits itself in its production and sales subsidiaries to respect world-wide the fundamental principles and core labour standards of the International Labour Organisation (ILO). The ILO's four main goals or fundamental principles – elimination of forced labour, abolition of child labour, prohibition of discrimination in the workplace and in employment as well as freedom of association and the right to collective bargaining – are also important components of Schwan STABILO's reference values. By upholding social standards globally, Schwan STABILO helps spread the observance of the fundamental principles of human co-existence and labour and thus upholds peace through attaining social justice.

In agreeing to implement the following principles, Schwan STABILO commits itself to upholding ILO Conventions and Recommendations such as the ILO Core Conventions 29, 87, 98, 100, 105, 111, 135, 138, 143, 155 and 182 referred to in this agreement. This agreement will be published at all company locations in the workforce's respective language.

1. Employment is freely chosen

Forced labour must not be used (ILO Conventions Nr. 29 and Nr. 105). Employees must not be forced to pay a "deposit" or surrender their identity papers to their employer.

2. No discrimination in employment

Equal opportunities and equal treatment regardless to ethnic or social origin, colour of skin, sex, religion, political opinion, nationality or any other distinguishing features shall be provided. (ILO Conventions Nr. 100 and No. 111).

3. No child labour

It is prohibited to use child labour in any form whatsoever: only workers above the age of 15 years, or over the compulsory school-leaving age if higher, shall be employed (ILO Convention 138). In view of their age, children under the age of 18 shall not perform work, which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety or morals of children (ILO Convention 182).

4. Respect for the right of freedom of association and the right to collective bargaining.

All employees have the right to form organisations to represent employee interests and conduct collective bargaining to regulate conditions of work (ILO Conventions No. 86 and No.98)

Schwan STABILO and the respective employee organisations will cooperate constructively and trust each other. Even in the case of controversy, the goal will continue to be cooperation over the long term.

Workers' representatives must not be discriminated against, and must have all access to workplaces necessary to properly exercise their function as representatives (ILO Conventions Nr. 135 and Recommendation Nr. 143).

5. Payment of decent wages

Wages and benefits for a standard working week shall meet at least the legal and industry minimum standards.

All employees will receive written, comprehensible information about their wages in their own language before starting work, including a written break-down of their wages into component parts.

6. Working hours

Working time should follow appropriate legislation or national collective agreements for each trade.

7. Safety at work and decent working conditions

A safe and hygienic working environment shall be provided and best occupational health and safety work practices shall be promoted, bearing in mind the prevailing knowledge of the trade and of any specific hazards. Physical abuse, the threat of physical abuse, unusual penalties or punishments, sexual or other forms of harassment and threats by the employer shall be strictly forbidden.

8. Conditions of employment must be established

Employers' obligations to workers according to national labour legislation and regulations on social protection based on permanent employment must be respected.

Besides upholding the core labour standards of the International Labour Organisation, employment and working conditions will be implemented which at least fulfil the requirements of collective agreements and/or national legislation.

Inclusion of supplier companies

Schwan STABILO expects of its suppliers to apply similar principles and regards this as being a basis for any enduring business partnership.

Monitoring

A Monitoring Committee will monitor the implementation of this agreement. The Monitoring Committee comprises one representative respectively from the Schwan STABILO management, from the works council, from IG Metall and IFBWW. Schwan STABILO will bear the costs of the monitoring.

The committee will meet once a year and will conduct monitoring every two years at production and sales subsidiary locations with the involvement of local trade union officials. The participants will have access to all information necessary for performing their function.

If production and sales subsidiaries do not comply with the principles listed above, the Monitoring Committee will examine the matter and propose appropriate measures.

The German version of this agreement is the authoritative version.

Heroldsberg, 7th September 2005

Schwanhauer Industrie Holding GmbH & Co. KG 90562 Heroldsberg, Germany

IG Metall, Germany

International Federation of Building and Wood Workers

Enclosure International Framework Agreement

Germany

Schwanhäußer
Industrie Holding GmbH & Co. KG
Schwanweg 1
90562 Heroldsberg

Writing Instruments:

Schwan-STABILO Schwanhäußer GmbH & Co. KG Schwanweg 1 90562 Heroldsberg	STABILO International GmbH Schwanweg 1 90562 Heroldsberg
Schwan-STABILO Promotion Products GmbH & Co. KG Schwanweg 1 90562 Heroldsberg	Schwan-STABILO Schwanhäußer GmbH & Co. KG Industriestraße 47 91781 Weißenburg

Cosmetics:

Schwan-STABILO Cosmetics GmbH & Co. KG Schwanweg 1 90562 Heroldsberg	Schwan-STABILO Cosmetics GmbH & Co. KG Industriestraße 47 91781 Weißenburg
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Austria

Writing Instruments:

Schwan STABILO
Österreich GmbH
Handelskai 130
Stg. 5 Top 6
A-1020 Wien
Austria

Inclusion of supplier companies

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Monitoring

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The committee will meet once annually and will conduct monitoring every two years at productions and sales subsidiary locations with the involvement of local trade union officials. The participants will have access to all information necessary for performing their function.

If production and sales subsidiaries do not comply with the principals listed above, the Monitoring Committee will examine the matter and propose appropriate measures.

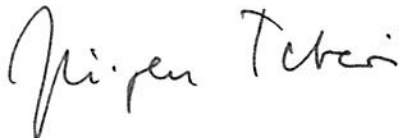
The German version of this agreement is the legally binding one.

Heroldsberg, 7th September 2005

Schwanhäußer Industrie Holding GmbH & Co. KG 90562 Heroldsberg



Industriegewerkschaft Metall, Board



International Federation of Building and Wood Workers (IFBWW)



Belgium

Writing Instruments:

Schwan-STABILO
Belgium S. A.
Ave. de l'Espinette 2 a
BTE 2
B-1348 Louvain-la-Neuve
Belgium

Brasil

Cosmetics:

Schwan Cosmetics do Brasil Ltda.
Av. Torres, 1500
CEP 83040-300
Sao José dos Pinhais
Brasil

China

Cosmetics:

Tianjin Schwan Cosmetics Co. Ltd.
Tianjin Jinnan Economic
Development Area (Shunaggang)
300 350 Tianjin
P.R. China

Colombia

Cosmetics:

Creative Colors S. A.
87 Muelle Industrial II Etapa
151040 Bogotá
Colombia

Czech Republic

Writing Instruments:

Schwan-STABILO CR s.r.o. Tovarni 7 38101 Cesky Krumlov Czech Republic	STABILO International GmbH Baarova 43 140 00 Praha 4 – Michle Czech Republic
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Cosmetics:

Schwan Cosmetics CR s.r.o.
Tovarni 7
38101 Cesky Krumlov
Czech Republic

France

Writing Instruments:

Swan STABILO France SAS
7, rue des Frères Lumiere
BP73-Eckbolsheim
F-67038 Strasbourg Cedex 2
Frankreich

Great Britain

Writing Instruments:

Swan STABILO Ltd.
75 Buckingham Avenue
Slough
Berks, SL1 4PN
Great Britain

Malaysia

Writing Instruments:

Swan Malaysia Sdn. Bhd. PLO 15 Jalan Teknologi 5 Taman Teknologi Johor 81400 Senai, Johor – Malaysia	Schwan-STABILO Marketing Sdn. Bhd. 3-5-3, SHL Business Centre Jalan SR 8/1 Off Jalan Serdary Raya 43300 Seri Kembangan Selanyor Darul Ensan – Malaysia
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Netherlands

Writing Instruments:

Schwan-STABILO Nederland B.V.
Planetenbaan 2
3606 AK Maarsse
Netherlands

Singapore

Writing Instruments:

Schwan-STABILO
Singapore (Pte) Ltd.
68 Kallang Pudding Road
#01-02 SYH Logistics Building
349327 Singapore

Spain

Writing Instruments:

Schwan-STABILO Espana S.A.
C/La Fundicion 39, Parcela 20
Poligono Industrial Santa Ana
28529 Rivas Vaciamadrid
Madrid-Madrid
Spain

USA

Cosmetics:

Schwan Cosmetics USA Inc.
21, Gordon Road
Piscataway
New Jersey 08854
USA