

International Framework Agreement on Social Responsibility and Promotion of Employees' Rights (IFA, International Framework Agreement)

Between The management of
 Wilkhahn
 Wilkening und Hahne GmbH + Co. KG
 Fritz-Hahne-Str. 8
 31848 Bad Münden

and IG Metall (Metal Workers Union)
 BWI (Building and Woodworkers International)

the following agreement is concluded:

Preamble

Wilkhahn is a leading company in the office and contract furniture industry on an international level. Its registered office is in Germany with subsidiaries in Spain and Australia, distributors worldwide and licence partners in Japan, Morocco and South Africa (please see annex 1).

Wilkhahn is committed to ecological requirements and the social and ethical responsibility which arises from the globalisation of the company and its markets.

Building and Woodworkers International – BWI, a global union federation, comprises free and democratic unions in the construction and building materials industry, the woodworking industry, as well as forestry and related sectors worldwide. IG Metall (Metal Workers Union) is the industry union responsible for Wilkhahn at the registered office of the company in Germany and is a member of BWI.

With this agreement, Wilkhahn undertakes to ensure employment and working conditions at its production sites and in its distribution companies that at least comply with the conventions and recommendations of the International Labour Organisation (ILO). Furthermore, Wilkhahn undertakes to conclude agreements with its licence partners and suppliers to ensure their compliance with these principles.

§ 1 Primary goals

1. Free choice of work

No forced or compulsory labour shall be permitted (ILO Convention No. 29 and No. 105). Similarly, Wilkhahn shall not tolerate any form of bonded labour or prison labour. Employees shall not be forced to surrender their passports, identity cards or valuables.

2. Ban on child labour

Wilkhahn shall tolerate no child labour. Children shall only be employed who are older than 15 years of age and are not less than the age of the completion of compulsory schooling (ILO Convention No. 138). Children under the age of 18 shall not be permitted to carry out any work which by its nature or the circumstances in which it is carried out jeopardises the health, safety or morals of the children (ILO Convention No. 182).

3. No discrimination

Wilkhahn undertakes to guarantee equality of opportunity and to refrain from all forms of discrimination in respect of employment.

Discriminating practices towards employees on the grounds of gender, ethnic background, colour, religion, nationality, disablement, political opinion, provided such political opinion is based on democratic principles and tolerance vis-à-vis dissidents, sexual orientation or age, shall not be permitted.

(ILO Convention No. 100 and 111).

Physical abuse, threats of physical abuse, unusual punishments or disciplinary measures, sexual or other harassment, as well as intimidation by the employer shall be forbidden.

4. Freedom of association / role of unions and employees' representative organisations

The fundamental right of all employees to establish unions, join these unions and to conduct collective negotiations shall be recognized (ILO Convention No. 87 and 98).

Wilkhahn and the unions and employees' representative organisations shall work together openly and honestly and in the spirit of overcoming conflicts in a constructive and cooperative manner.

The employer shall take a positive approach towards the work of the unions and be open to their activities in respect of organized labour of the employees.

Representatives of the employees may not be discriminated against and shall have access to all working places as called for in the exercising of their representative function

(ILO Convention No. 135 and Recommendation No. 143).

5. Occupational safety and health

Wilkhahn shall guarantee a safe, hygienic and wholesome working environment, whilst taking the most recent findings in the area of occupational medicine into account as well as eventual special risks.

This shall be implemented by a company organisation for occupational safety including the setup of company committees for occupational safety and health.

(ILO Convention No. 155).

6. Working hours

Wilkhahn shall ensure the compliance with the respective national regulations and wage agreements as far as working hours and paid holidays are concerned.

The working hours are not permitted to contradict the maximum limits according to the latest scientific findings.

All employees are to have at least one day of rest per week.

7. Remuneration

Remuneration and the other benefits (social benefits, holidays, amongst others) shall take into account the principle of fairness and shall at least correspond to the national and legal norms and standard wages.

All employees shall receive written and comprehensible information about their remuneration and the itemisation of their wages in their own language before commencing their work.

All employees shall receive the same wage for the same work.

Deductions from wages without express permission of the employees concerned shall not be permitted, except if such deductions are founded on national laws, wage agreements or company agreements.

8. Environmental protection

The products, production processes and services of Wilkhahn are to display the highest possible degree of environmental friendliness.

The protection of the environment and improvement of living and environmental conditions is an essential corporate objective of all Wilkhahn companies.

9. Employment relationships

The obligations of the employer vis-à-vis employees shall be adhered to with regard to national labour law and the regulations concerning social protection based on a regular employment relationship. The employment relationship shall be set down in a written agreement.

Wilkhahn shall endeavour to keep temporary employment (jobs via third parties) to a minimum (ILO Recommendation 198).

§ 2 Inclusion of suppliers and partners

Wilkhahn expects its suppliers and partners to apply comparable principles and regards this to be an important basis for a lasting business relationship.

If suppliers and partners fail to comply with the contents of this declaration, Wilkhahn shall examine the facts and carry out appropriate measures in accordance with its possibilities.

When assuming business relations and awarding contracts, the acceptance of this agreement shall be a prerequisite. In the process of drafting contracts with suppliers, Wilkhahn shall incorporate disclosure of the supplier's personal data in the assessment of the supplier. Furthermore, those responsible for purchasing shall be qualified accordingly.

§ 3 Implementation

The management of each company shall be responsible for compliance with the principles. The agreement shall be made public to the employees at all locations in the language of the country respectively.

Wilkhahn shall appoint a management representative for this agreement.

1. Monitoring procedure

The following procedures serve as a means to monitor and comply with this agreement (see annex 2).

Disclosure of personal data

Each company, all suppliers and licence partners shall fill out a "questionnaire on disclosure of personal data of suppliers" which covers all the points of this agreement.

This disclosure of personal data of the suppliers shall be repeated at least once every three years.

Internal audits

Compliance with this agreement shall be controlled every three years through internal audits

of Wilkhahn companies. The result shall be reported to the company's management representative.

External audits

A monitoring committee equally made up of representatives from the management of Wilkhahn, Wilkening und Hahne GmbH + Co. KG, the works council and IG Metall and BWI shall monitor the implementation of this agreement.

The committee shall meet annually and include the local partners.

An audit shall be carried out every three years at a Wilkhahn company, a licence partner or a supplier. BWI may make it possible for the unions at the respective location to participate in the meetings of the monitoring committee. The participants shall receive all the necessary information in order to carry out their mandate. Wilkhahn shall bear the costs of the external audit.

2. Resolution of conflicts

Issues of conflict which are not able to be resolved on site shall be passed on to the monitoring committee that will examine the facts and circumstances and propose appropriate measures.

3. Term and validity

This agreement shall remain valid until one of the contracting parties cancels it by making written notification to the other respective parties thereof within a time period of three calendar months to the end of the month.

The German version of this agreement shall be binding.

Bad Münden, dated

Management

Works council

IG Metall (Metal Workers Union)
Managing Board

BWI (Building and Woodworkers
International)

Annexes:

Annex 1: Overview of Wilkhahn's production companies and licence partners

Annex 2: Implementation of monitoring procedure