



CORPORATE PRINCIPLES GOVERNING INTERNAL EXPORT CONTROLS ON NUCLEAR NON-PROLIFERATION

As a result of global political developments which have occurred since the late 1980s, exports of certain goods - especially those of a highly technical or military nature - have acquired a special significance. Further, because of the possible misuse of some of those products - in particular, so-called "dual-use" items - the relevant export control regulations have been expanded and strengthened. This development has had an especially strong impact on Germany's export-oriented industry.

Leybold AG is primarily active in the area of vacuum technology, vacuum metallurgy and vacuum coating. The company neither manufactures weapons nor any other category of military equipment. Nonetheless, the company has developed and does produce certain types of state-of-the-art equipment and advanced technology, which, in today's complex, industrialized world, could be regarded as so-called "dual-use" items.

With the benefit of the experience gained in the last few years - particularly as a result of the Gulf War - and in recognition of its responsibility, the Executive Board of Leybold AG has resolved as follows:

1. Leybold AG's Executive Board affirms its unequivocal and emphatic support for the policies regarding the non-proliferation of nuclear weapons and nuclear-capable delivery systems.



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2. Leybold AG and its worldwide subsidiaries endorse and adhere to the export controls established by the Federal Republic of Germany and its allies - in particular, the United States of America - for the purpose of achieving the goal of an effective nuclear non-proliferation policy.

3. All Leybold employees will actively assist in the achievement of this corporate goal.

In particular, Leybold employees involved in the export of the company's commodities, technology or services will be familiar with, and strictly abide by, all applicable provisions of national and foreign export control laws and regulations.

4. Leybold attaches clear-cut and unambiguous priority to the goal of non-proliferation of nuclear weapons and their delivery systems over commercial interests. In practice, this means that even if a particular export transaction is legal, Leybold - in accordance with its corporate policy of voluntary self-restraint in export matters - will neither directly nor indirectly supply commodities, technology or services if the company knows or has reason to believe that such items will be used by its customer or end-user for the development or production of nuclear weapons or nuclear-capable delivery systems. This policy applies to customers and end-users from non-nuclear weapons countries, as set forth in the Treaty of the Non-Proliferation of Nuclear Weapons, if these countries:

- are not signatories to the Treaty on the Non-Proliferation of Nuclear Weapons, or
- have not renounced the possession, acquisition and production of nuclear weapons by other acts binding under international law, or



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- do not have in place full-scope safeguards in accordance with International Atomic Energy Agency (IAEA) requirements, or if there is any doubt about their implementation, or
 - if these countries are classified as "sensitive" for other reasons.
5. This policy applies to domestic transactions as well, if Leybold knows or has reason to believe that its products are to be diverted to such countries for sensitive projects.
 6. In order to ascertain which countries should be regarded as sensitive for the purpose of this policy, Leybold will establish and maintain contact with all responsible federal agencies, i.e., the Foreign Office (Auswärtiges Amt), the Ministry of Economics (Bundesministerium für Wirtschaft) and the Federal Export Control Authority (Bundesamt für Wirtschaft).
 7. In the event of any doubt, the responsible federal agencies will immediately be asked for information and advice. Likewise, if an item is subject to U.S. jurisdiction due to its specific nature (e.g., intermediate products or components from a U.S. source) the U.S. Department of Commerce will be approached for information and counsel.

In the event of any continuing concern regarding the end-use of items to be exported, Leybold AG will not conclude the transaction.



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8. This policy applies to all divisions and subsidiaries of Leybold AG worldwide. The principles incorporated herein are to be immediately implemented within the framework of Leybold's existing internal export compliance program. This policy will continuously be reviewed and audited. The Executive Board will ensure that the management of all German and foreign subsidiaries will implement this policy by adopting appropriate export control procedures.

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