Code of Conduct
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1. **Abiding by the law**

**Kontron commits itself to abide by the law.**

All staff members must respect and comply with valid laws and regulatory requirements, as well as Kontron's internal instructions and guidelines. When working and conducting business abroad, not only should local laws and regulations be complied with, but key social norms in the relevant land should also be respected.

2. **How to deal with presents and perks**

**We desist from all illegal transactions such as corruption or bribery.**

Staff members may not demand, arrange or accept services, presents or benefits from customers, suppliers or third parties that influence, or might influence, their behavior with respect to their activities for Kontron.

Staff members may not offer, promise or grant services, presents or benefits to customers, suppliers or other third parties to thereby generate advantages for Kontron in a dishonest manner.

It is naturally normal in commercial life that business partners or a staff member of a business partner might receive a present or an invitation on certain occasions. In this respect, a differentiation is made with respect to the permissibility of such presents and invitations.

Staff members may not request invitations to dine, invitations to events, presents or other benefits, personal services or favors from business partners. Staff members
may only accept invitations if the invitation was submitted voluntarily, serves a justified business purpose, and occurs as part of normal cooperation.

The acceptance or granting of money or of benefits similar to money is forbidden in all cases. This comprises not only cash benefits, but also credit vouchers and other personal advantages that can be used in a similar manner to money. The value of such benefits is irrelevant in this respect. Such benefits are not permitted even when they are of minor value.

Staff members should not accept favors, valuable items, presents or other perks from customers or other business partners that exceed the normal value or scope of normal favors in the given situation. They should not be intended, and should also not create impression that they are intended, to influence the business decisions in a dishonest manner. The following principle applies:

>> The benefit should never be intended to affect the concluding of a particular business transaction or a public decision, or to achieve any other type of inadmissible advantage.

>> Given the specific circumstances, the total value of a perk should not create impression that a particular behavior is required as consideration from the recipient of the perk. The perk should not create a feeling of obligation for the recipient.

Country-specific particularities should also be taken into consideration. Any appearance of dishonesty or impropriety must be avoided.

Strict rules must be applied particularly when dealing with officials and representatives of public institutions. Perks and invitations for these groups of individuals are permitted only by way of exception, and are only permitted if the rules of courtesy require such perks and invitations.
3. Fair competitive behavior

We are obligated to comply with prevailing anti-trust and competition law.

We are committed without reservation to the principles of the market economy and fair competition. We pursue our corporate objectives exclusively according to the performance principle, and in compliance with prevailing competition regulations. These include prevailing anti-trust and trade acts, and corresponding acts relating to price fixing, competition law and consumer protection. We also expect this of our competitors and business partners.

Agreements with competitors and coordinated behavior that hampers or restricts, or is intended to hamper or restrict, competition are particularly forbidden. Examples include agreements concerning prices, offers, production or sales quotas, as well as agreements concerning the allocation of customers, areas or markets.

Not only formal agreements, but also coordinated behavior, for instance by means of informal discussions or unwritten gentlemen’s agreements, are also not permitted. Even the mere appearance of a related infringement must be avoided.
4. Dealing with conflicts of interest

We ensure that our private interests do not conflict with corporate interests.

A conflict of interest occurs when staff members or one of their family members (spouse, registered life partner, children or other relations) are involved in activities that might have a negative impact on the staff members' objectivity when performing their professional duties. Such activities particularly include part-time activities for customers, suppliers, service providers and competitors, or entail significant financial interests or investments in such parties. If a conflict of interest exists for a staff member, or could exist, or if only the appearance of a conflict of interest could be created, the relevant staff members must immediately report these circumstances comprehensively to their managers or compliance officers.

5. Dealing with company property and business secrets

5.1. Company property

We treat company facilities and property with care.

All Kontron staff members are obligated to protect company assets. Company assets may only be used for admissible corporate purposes, and in no case for illegal purposes. Internal Kontron guidelines must be complied with when using the company's operating resources (including telephones, computers, the Internet and other information technology). The use of company property and facilities for private purposes is not permitted unless expressly allowed by the above-mentioned guidelines.
5.2. Business secrets and data protection

We protect confidential information about the company, products and services, as well as other sensitive data against unauthorized transmission and abuse.

Our inventions and know-how are of particular significance for the long-term success of our company. For this reason, Kontron staff members must protect business and operating secret against unauthorized knowledge by third parties, and against third-party access, within the scope of the technical options with which they are provided.

6. Money-laundering

We ensure that Kontron cannot be abused for money-laundering or other illegal purposes.

Money-laundering refers to financial or commercial transactions that allow illegally acquired liquid funds to be infiltrated into the legal financial system. Express reference is made to the criminal liability of money-laundering according to the Penal Code. Particularly before a major business transaction, staff members should inform themselves sufficiently about contractual partners' business environment, the contractual party itself, and the purpose of the transaction in which the contractual party intends to enter. Indications of money-laundering include

>> unusual cash payments;

>> payments and currencies that are not mentioned on the corresponding invoice;

>> payments made by a third party, and not by the actual contractual partner, to the extent that this has not been arranged in such a way;
payments that are made through several payment instructions or checks with respect to one invoice or one invoice block;

money processing that circumvents normal accounting and bookkeeping;

attempts to proceed as mentioned above, and queries as to whether such procedures might be possible.

Staff members may immediately inform managers or the compliance officer in cases of doubt, or where there is a suspicion of irregularities. Staff members are obliged to provide information if they suspect an instance of a criminal offence.

7. Embargo and trade control regulations

We comply with international trade laws and embargoes.

As a globally active company with worldwide business operations, Kontron must comply with international laws or embargoes that restrict or prohibit the import, export, or domestic trading in goods, technologies or services, the handling of certain products, as well as capital and payment transactions. All Kontron staff members must comply with corresponding control provisions. Within the framework of existing internal resources checks particularly should be made as to whether official approval is required. Such approvals should be procured in good time, if required.
8. Financial data preparation and communications

We conduct our transactions, document archiving, and financial reporting on a proper and transparent basis.

Bookkeeping and accounting, receipts, and accounts must comply with both statutory and other binding accounting principles, as well as Kontron standards. Accounting loopholes or imprecision infringes not only Kontron business practices, but also legal requirements, in certain circumstances. There is no justification for the falsification of documents, or the false depiction of facts. This applies to both internal and external communications.

9. Prohibition on the creation and utilization of "slush funds"

We do not operate slush funds.

The creation of slush funds and secret accounts is prohibited. Individuals who create such funds not only infringe their duties towards the company, but are generally also guilty of a criminal act. A slush fund refers to the portion of assets of a Kontron company that is transferred to special accounts or concealed booking accounts, or which is transferred to an external "trust manager" or mandated third party, or is otherwise withdrawn from Kontron's access as the result of staff action.

Staff members must not utilize cash derived from slush funds. It is particularly prohibited to finance presents or perks using cash from slush funds.
10. Complying with the Code of Conduct

We abide by the Code of Conduct. All members of staff will not accept any breaches against Kontron's principles.

10.1. Consequences in the instance of infringement

All Kontron staff members are personally responsible for ensuring that their behavior complies with this Code of Conduct. Kontron will take appropriate investigative action where this Code of Conduct is breached. Kontron will endeavor to explain the assets' value to the relevant employees, thereby encouraging them to adapt their future behavior. Infringements against the Code of Conduct do not replace normal warnings as part of operating practice as a pre-requisite for behavior-related termination of employment. Actions as part of prevailing labor law will be implemented in the instance of severe and/or particularly significant infringements against this Code of Conduct.

10.2. Clarifying queries and obtaining advice

Kontron staff members may consult Kontron's compliance officer with any questions about this Code of Conduct, and in order to obtain advice.
11. Implementing the Code of Conduct, reporting breaches of the Code

Only by joining forces will we be able to implement the Code of Conduct in day-to-day practice.

Queries relating to this Code of Conduct will arise repeatedly. Staff members can discuss matters with their managers if they are uncertain as to correct behavior. Within employee trainings the staff members are sensitized regarding the content of this Code of Conduct and are informed about related questions.

If this fails to result in a satisfactory clarification, Kontron’s compliance officer is also available to treat your concern on a confidential basis, if so desired:

Above and beyond this, a lawyer has also been appointed as an external ombudsman. Staff members and third parties can consult this neutral party at any time on a confidential and anonymous basis if they observe illegal business practices within the company: the ombudsmen appointed by Kontron are obligated to confidentiality. They are legally required to treat a whistleblower’s identity on a confidential basis. Whistleblowers' identities can only be made identify with their express consent.

The Kontron whistleblower’s guidelines regulate specifics relating to the treatment of information provided to the ombudsman.
In everyday working life, we must frequently decide whether a particular behavior is appropriate or not.

Our staff members are constantly engaged with a large number of different people and organizations with various interests. Kontron’s standing depends on how our staff members behave in their everyday working day lives. Personal integrity and a healthy sense of judgment are of the greatest significance in this context.

If you are confronted with a difficult situation, please bear the following guiding principles in mind:

• Reflect, pursue dialogue, express concern.

• You should also ask yourself the following questions:

  o Do my behavior and decisions comply with the relevant laws, regulations and norms, as well as Kontron’s values and standards?

  o In all instances, am I acting and taking decisions on an appropriate basis, and free of personal conflicts of interest?