

**The maxon Group Code of Conduct**

# **Code of Conduct**

## **maxon Group**

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## 1 Integrity

### 1.1 Business conduct

The business conduct of the maxon Group is based on fairness, professionalism and respect.

### 1.2 Avoiding conflicts of interest

It is prohibited to use one's position in the company to personal advantage or to the advantage of family members or close associates.

It is important to the maxon Group that employees avoid conflicts of interest or conflicts of loyalty in the course of their work. If the possibility of such conflicts becomes apparent, the employee is obliged to inform his superior at an early stage and in a transparent way. The superior decides on the required measures for preventing repercussions for the maxon Group.

For example, conflicts of interest or loyalty can occur if an employee also starts working for another company or participates in another company, and the company concerned has business relations with the maxon Group or is a competitor of the maxon Group. Such activities are prohibited.

To avoid conflicts of interest, it is furthermore absolutely vital that all employees of the maxon Group, in their business related communication with customers, suppliers, consultants and other business partners, as well as competitors, avoid creating any impression of preferential treatment arising from personal closeness.

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### **1.3 Avoiding corruption and bribery**

The maxon Group does not tolerate any form of corruption and bribery.

No employee may use his position or function to demand, accept or be promised personal benefits. It is also prohibited to offer, promise or grant benefits to public officials, or to employees and governing/executive bodies of other companies, if even the slightest impression of corrupt behavior could arise as a result.

Therefore the employees of the maxon Group do not accept any gifts (except customary advertising give-aways) or invitations that are not appropriate and within the customary scope, nor any other direct or indirect benefits, and refrain from providing such benefits to public officials or governing/executive bodies or employees of other companies.

Lawful, commercially justified commissions, premiums, discounts, reimbursements etc. have to be fully documented and handled openly, to exclude involvement in money laundering and other unfair commercial practices.

Donations and sponsoring are approved respectively made available centrally in the individual companies of the maxon Group, by the authorized managers. The allocation of donations and sponsoring money must always be transparent. The recipient and the use to which the money is put by the recipient have to be documented and traceable. It must be possible to publicly justify these expenditures at any time.

### **1.4 Avoiding anticompetitive conduct and cartel agreements**

Fair competition is prerequisite for market participants to develop fully. National and international regulations govern how market participants are allowed to sell products and technologies and which information exchange with competitors is permitted. These regulations are binding for the maxon Group.

For the maxon Group, integrity and lawful information acquisition and utilization is paramount in the competition for market share and customers. Each employee is obliged to honor and observe the rules of fair competition. In particular, employees are not allowed to conduct conversations with competitors concerning agreements on prices, conditions or capacities. Arrangements with competitors regarding non-competition, submission of bogus quotations for tenders, segmentation of customers, market territories or production programs are prohibited. This also includes informal conversations and "gentlemen agreements" or "concerted actions" that result in or are aimed at effecting one of the above-mentioned restraints of competition.

### **1.5 Embargo and trade control regulations**

The maxon Group is a globally operating corporation and its international activities are subject to regulations which limit the free movement of goods.

Various national and international laws and embargos restrict or prohibit the import, export or domestic trade of goods, technologies or services, as well as capital and payment transactions. The restrictions and prohibitions may depend on the nature of the goods, the country of origin or end-use, or on the identity of the business partner. The national and international export control regulations and the laws on exporting war material are of particular importance. Employees are obliged to comply with these control regulations when goods or services are purchased, procured, manufactured or put into service, or if technologies are transferred or received. Before taking any such actions, employees have to check whether any permits or approvals from official authorities are required.

### **1.6 Compliance with laws**

Employees are obliged to comply with all relevant laws and regulations, as well as the internal instructions and policies.

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### 2 Protection of Assets

#### 2.1 Non-disclosure - Keeping own business and trade secrets and those of others confidential

All employees are obliged to prevent that business and trade secrets, especially know-how, technical information, distribution channels, information about organizational forms (such as spatial arrangements and personnel structures), customer data, information about contractual relations, cooperation partners, price calculations and the like become known to unauthorized third parties. Furthermore, even within the maxon Group, this data is only to be made accessible to persons that require it for their work duties. The business and trade secrets of business partners of maxon are to be protected similarly. These obligations to maintain confidentiality continue to apply after the termination of the work relationship.

#### 2.2 Protection of the material and intellectual property; da-ta protection

All employees are obliged to handle the property of the maxon Group with care and to protect it against damage, loss, theft, misuse and unauthorized use, as well as unauthorized access or sale. The property of third parties has to be treated with the same respect.

Property of the maxon Group, including its telecommunication devices (telephone, video conference devices etc.), computers, intranet, Internet and software, is only to be used for business activities of the maxon Group.

Intellectual property, such as trademarks, patents, inventions and other know-how, are valuable assets and are of great importance to the success and the future of the maxon Group. Therefore all employees are urged to help protect the intellectual property of the maxon Group. No employee may provide information on new findings/innovations or business and trade secrets to unauthorized persons in any form whatsoever or, without prejudice to his statutory rights, claim these as his own. The maxon Group respects the intellectual property rights of third parties.

A well-functioning IT infrastructure is of fundamental importance to the maxon Group. Therefore each employee has to exercise his responsibility to protect these resources and has to handle all devices, applications and networks of the maxon Group with care.

Only software authorized by the maxon Group may be installed and used.

All data collection, processing, storage and transfer (also and in particular personnel data) have to be conducted in compliance with the pertinent regulations.

#### 2.3 Handling business documents and records

For legal and business reasons, the maxon Group is obliged to document all business processes and transactions diligently, correctly and completely and to store the documents in a secure and orderly way for the required period. These documents, independent of the medium on which they are recorded, are very valuable to the maxon Group and can also be used to underpin our integrity in our business transactions.

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### 3 Social Responsibility and the Environment

#### 3.1 Personnel policy

##### **Fair and respectful conduct of the employees towards each other**

Respectful and fair human relations and corresponding treatment of the employees are an important part of the maxon culture.

##### **Prevention of discrimination and harassment**

All employees of the maxon Group are valued equally. Discrimination on the grounds of race, ethnic origin, gender, religion or life philosophy, political opinion, disability, age or sexual identity is prohibited. The maxon Group does not tolerate any discrimination to their employees on the grounds mentioned above.

The maxon Group does not tolerate any sexual or other harassment, mobbing etc. This applies both to internal work relations and the conduct towards external partners.

The maxon Group does neither tolerate child labor nor forced labor.

##### **Management culture**

The maxon Group sees responsible leadership as the foundation of mutual success.

Therefore each and every manager plays a significant role in achieving the objectives of the maxon Group. The manager carries the responsibility for his employees and has to win their respect and appreciation through exemplary personal conduct, performance, openness, managerial qualities and social competence. The manager trusts his employees, sets transparent and ambitious yet realistic targets with them, and allows them as much own responsibility and freedom as possible for developing their skills and implementing their individual performance targets. Employees have to be furthered by their superiors based on their personal abilities and suitability, as well as their dedication.

##### **Employee protection (occupational health and safety)**

The maxon Group is responsible for the well-being of its employees.

The managers ensure a safe and healthy work environment. Employees have to comply with the pertinent regulations; managers are obliged to regularly monitor this compliance. Inadequacies have to be remedied immediately.

The maxon Group respects the local occupational health and safety standards and operates its facilities accordingly.

#### 3.2 Quality, safety and environment

It is the policy of the maxon Group to distribute safe products worldwide. In the development, production and delivery of these products, the maxon Group puts a high premium on safety and environmental protection, as well as the use of sustainable material and production processes which respect the environment.

maxon develops its products in compliance with the legal, regulatory and industrial standards concerning safety and health requirements.

The maxon Group is committed to environmental protection, in the interest of current and future generations. The maxon Group supports environmentally responsible behavior by its employees and ensures adherence to the regulations that have been passed to protect the environment.

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### 3.3 Communication

The maxon Group's dialog with its business partners (such as customers and suppliers), with its employees, with government bodies and supervisory authorities, as well as the media, is based on fairness, professionalism and respect.

All documents, recordings, reports, messages and the like, including e-mails, that are produced for internal purposes or are given or sent to third parties, have to be written with care and have to be correct and true. Misleading, ambiguous, emotional or deprecating comments or judgments are not admissible.

Only the Management Board and the employees explicitly appointed by the Management Board are authorized to communicate with the media.

### 3.4 Responsible business partners

It is very important to the maxon Group that its business partners (customers and suppliers) also act in an upright and socially responsible way in accordance with this Code of Conduct.

## 4 Adherence to the Code of Conduct

This Code of Conduct is an inherent component of the company culture of the entire maxon Group.

Even small violations of this Code of Conduct by individual employees can severely affect the reputation of the maxon Group and cause large – also financial – damage. Neither the demands of customers and other business partners, nor time pressure justify non-observance of the Code of Conduct.

The individual rules are binding for all employees: Each employee is responsible for ensuring compliance. All managers of the maxon Group have to ensure that the employees assigned to them follow this Code of Conduct. They have to set a good example themselves.

The Code of Conduct cannot cover all imaginable situations. Therefore it is expected of all employees to act responsibly and use their good judgment to determine their actions. In the event of doubt, they are to request orientation. The superiors and the personnel managers are available to the employees for clarification of questions in the case of doubt.

All employees are urged to report violations of the Code of Conduct. Such information is to be provided to the superiors or the personnel managers. Such information, including the names of the employees concerned, will be treated with strict confidentiality. Employees that provide information in good faith need not fear any disadvantages, even if the report should prove to have been unfounded.

**Violations of this Code of Conduct will be penalized consequently. They have consequences for the work relationship (in severe cases dismissal) and can lead to criminal proceedings and damage claims against the wrongdoer. When assessing employees, the management takes adherence to this Code of Conduct into account.**

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This Code of Conduct was approved by the Board of Directors on June 21, 2011, at the request of the Management Board.