

**LINET** Group



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 **bossershoff**



**LINET Group**

**CODE OF BUSINESS CONDUCT**

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## 1 PURPOSE OF THE CODE

Our Code of Business Conduct (“the Code”) sets forth the guidelines we need to follow in order to uphold the law and act according to the highest ethical standards in our daily business activities. We have a responsibility to adhere to these guidelines in all of our interactions with our key stakeholders—our customers, colleagues, communities in which we work or suppliers. We are expected to know and follow these unique sets of rules that ensure our ethical interactions with each of these stakeholder groups.

### **The Code promotes:**

- Honest and ethical conduct in all relationships
- Full, fair, accurate, timely and understandable disclosure in public reports and documents
- Protection of all confidential and proprietary information
- Compliance with applicable governmental directives, laws, rules and regulations
- Internal reflection of adherence to the Code
- Prompt internal reporting of any violations of the Code
- Accountability for adherence to the Code by every employee

### **The requirement is to successfully complete the annual online training and certification of the Code and other supplemental policies**

All employees are required to review, understand, certify and abide by the Code every year, as our Code is regularly updated based on the business environment, changing laws and employee feedback. You will be sent notifications directing you to complete your online training and certification of the Code. Employees with certain roles and responsibilities must also complete additional online training and certifications.

#### **1.1 Reporting – sharing my concerns**

As our employee, you are strongly encouraged to report any known or suspected violations of our Code or applicable laws and regulations. We also encourage you to come forward with situations that “just don’t feel right.”

The Code helps us to identify and understand situations in which misconduct might arise. If we find ourselves in such a situation, or believe that another person is facing one, our Code shows us where to find more information and how to seek guidance and report known or suspected violations of applicable laws, this Code and Company policy.

If you witness any violation of our Code, we strongly advise you to discuss this matter with your direct supervisor or HR department. If you are uncomfortable talking to your direct supervisor or HR, please contact the Head of LG Internal Audit or Legal department – see section 1.4.

Whatever way you chose to report the misconduct, we ensure you that your concern will be addressed promptly and anonymously. All recorded concerns will be held confidential and will be investigated anonymously, in accordance with our Code.

## **1.2 The Manager's Role**

LINET Group directors and managers, with their leadership roles and responsibilities, should set a good example for others, encourage an environment of open and honest communication without fear of retaliation. When ethical issues are brought to their attention, they are responsible for taking prompt action. It is their role and obligation to promote LINET Group's ethical culture and never direct employees to achieve results in ways that are in violation of this Code, LINET Group policies, or the law.

Managers also have approval responsibility for a variety of transactions on behalf of the company. As a LINET Group manager or manager's proxy, you have important fiduciary responsibilities to ensure that policy requirements are met.

## **1.3 Leaders commitment to the Code**

All LINET Group leaders must follow the guidelines set forth by this Code, uphold our Company's core values and follow all applicable laws and regulations. Our leaders must ensure that the employees they supervise understand and comply with this Code. All leaders must have perfect knowledge of the Code in order to ensure that it is widely disseminated amongst employees.

# **2 WE RESPECT EACH OTHER**

The vision and goals of our company are binding for each employee and to achieve them, we need to cooperate with each other. All our employees work in an environment, where they can grow personally and professionally, where they are respected and treated with dignity. On the other hand, all employees must recognize their duties, be team players and treat others with respect and dignity.

## **2.1 We say NO to discrimination and harassment**

Our Company has made a firm commitment to providing each of us a workplace free from unlawful discrimination or harassment.

In recruiting, hiring, developing and promoting employees — all employment processes — decisions are made without regard to gender, race, color, nationality, citizenship, ancestry, religion, age, physical or mental disability, medical condition, sexual orientation, gender identity or gender expression, or marital status.

We never engage in any forms of unlawful harassment, whether verbal, physical or visual. At our Company, harassment includes any form of unwelcome conduct toward another person that:

- Has the purpose or effect of creating an intimidating, hostile or offensive work environment for a person
- Has the purpose or effect of unreasonably interfering with or disrupting someone's work performance
- Otherwise adversely affects someone's employment opportunities

## **2.2 Health and Safety**

To promote and ensure a safe workplace, we must follow all safety procedures and conduct our work in the safest possible manner at all times. This requires following all applicable safety-related laws and regulations. We also must never tolerate any act or threat of violence at our company.

Employees are not permitted to use, possess, sell, transfer, manufacture, distribute, or be under the influence of illegal drugs generally and especially on Company-owned or leased property, during working hours, while on company business, or while using company property. Alcohol use during works hours is strictly prohibited. Violation of this paragraph may lead even to the termination of the employee.

## **2.3 Safeguarding personal information**

We respect the privacy of our employees and we are obliged to protect employee personal information in accordance with all applicable legal requirements, including local privacy and data protection laws. If you are involved in the collection, storage, modification, transfer, blockage, erasure or use of personal data, you must comply with these laws and be in accordance with the LINET Group Data classification and protection policy.

## **2.4 We value our customers**

Our customers are at the core of everything we do in our business and our behavior should be aligned to their needs.

## **2.5 Quality and safety of products**

We are fully committed to providing safe and innovative products to our customers. To ensure that we do so, we manufacture our products in compliance with all applicable norms, laws and regulations. We fulfill our contracts in an ethical manner, following all contract specifications. We choose our suppliers, so they support our high-quality standards and their supply leads to the overall safety of our products presented to our customers.

## **2.6 We are acting fairly on the market**

It is important that we engage in fair dealing practices at all times. Those of us involved in selling, advertising, promoting and marketing our products and services must ensure that our business conduct is always guided by honesty and integrity. This means that the provided or published information about our products or services must be accurate, truthful and complete.

## **2.7 Third party's information confidentiality**

Customers and other external parties trust us with their vital technology, assets and/or infrastructure. We must safeguard their confidential information and to ensure we fulfill this duty, we must follow the terms of any related contractual agreements we have entered into, including nondisclosure agreements. Our obligation to protect this confidential information continues even after our relationship with the third party or our employment with LINET Group ends.

When collecting information about our competitors for business purposes, we must always act in an ethical and legal manner. For this reason, we may never ask our fellow employees for confidential information about their previous employers.

# **3 ACCURACY OF OUR FINANCIAL RECORDS**

Timely, accurate handling and reporting of financial information is not only required by law, but it is also at the core of our commitment to do business honestly and ethically. Our commitment is to conduct only legitimate and authorized business transactions.

To do so, we may not engage in any of the following activities:

- Making false representations on behalf of LINET Group or any of its subsidiaries, whether verbally or in writing
- Mischaracterizing/misclassifying or intentionally hiding (not reporting) Company transactions or funds

- Creating undisclosed or unrecorded fund accounts
- Knowingly tolerating or allowing any illegal activities to occur

### **3.1 Managing company funds**

All employees are personally responsible for any company-related funds that they control. Company funds must only be used for LINET Group business purposes. Every employee must ensure we receive adequate value and maintain accurate and timely records for each expense. This includes any transactions with third parties. It is a violation of our Code to hide, falsify, misrepresent or alter documents or data regarding the use of our funds.

### **3.2 Investigation and audits**

From time to time it can occur that our employee will be contacted by external or internal auditor or by governmental investigation body to provide information or documentation regarding our company. If you are contacted by governmental investigator to provide any documentation or information about LINET Group with regard to an investigation of our company, please contact the subsidiary Managing Director / CEO, legal department or Internal Audit first. Providing information, documentation and collaboration during internal audits and/or internal investigations is mandatory and must be dealt with unconditionally and promptly.

## **4 CONFLICTS OF INTEREST**

A “conflict of interest” exists when our private interests interfere in any way with the interests of our Company. Conflict of interest situations are common. Simply being involved in such a situation does not constitute a violation of our Code. However, failing to disclose it or delaying disclosure is a violation.

Here are the most common situations, in which you may be in conflict of interest:

- Selling, owning or interacting with outside businesses linked with our company
- Interacting with family or friends as supplier, contractor, consultant etc.
- Employing or applying for employment of a family member in our company
- Dealing with government, non-profit, profit, technical or other external boards
- Providing any personal loans or financial guarantees in the company name
- Providing or receiving gifts, favors and entertainment

#### 4.1 Reporting conflict of interest

For each, even potential, conflict of interest, you must complete the “Check Form of Independence of LINET Group Employees” and immediately submit it to Group HR.

#### 4.2 How to handle gifts and entertainment

Business courtesies, such as small gifts and entertainment, are generally perceived as a way to build good business relationships. LG employee does not receive from individuals or legal entities any financial funds, gifts, services or other benefits for himself/herself or anyone in close relationship that could possibly affect his/her judgment or an ethical approach to work assignments. When gifts are given or received in the course of business, you should keep the following in mind:

- There must be no obligations or expectations (stated or implied)
- They must be made openly
- They must be of reasonable value
- They must comply with the recipient’s rules
- They must be appropriate, legal and accurately documented

In addition, you may not accept a business courtesy if it might be viewed as a bribe or be otherwise inappropriate.

Generally acceptable gifts and entertainment are: Nominal gifts with a combined market value of EUR 100 or less, to or from a single source (entity), occasional business entertainment valued at less than EUR 200, per source (entity). All individual gifts or entertainment exceeding the above-mentioned value must be approved in writing by the subsidiary Executive (Managing Director or CEO).

Non-acceptable would be following: offer, accept or request anything that is illegal, unsavory, offensive, or would embarrass our company, cash or a cash equivalent or something as part of an agreement to do anything in return (quid pro quo).

#### 4.3 Gifts to governmental officers

Generally, stricter rules and company policies apply when we interact with government entities and their employees or representatives. Nothing of value should ever be promised, offered or provided to a government employee, either directly or indirectly, in an attempt to influence the government employee to act or refrain from acting in connection with obtaining or retaining any business advantage.

#### **4.4 Gifts to U.S. government employees**

No gift or entertainment or meal may be offered to a U.S. federal, state, or local government employee, without written consent of subsidiary CEO/Managing Director. Please, carefully review the LINET Group Anti-Corruption Policy. The U.S. law bans all gifts to U.S. Congress and Staff and U.S. government employees, including payment for meals.

#### **4.5 Government employees outside the U.S. (interaction with U.S. citizens)**

Always follow all laws and LINET Group Anti-Corruption Policy. Different countries have laws restricting gifts to employees associated with governments (or government-controlled agencies). At this point we want to explicitly mention the U.S. anti-corruption law, (the Foreign Corrupt Practices Act) and laws governing interaction with public officials, both foreign and local, which set anti-corruption rules outside of the U.S.A.

#### **4.6 Gifts and Public tenders**

No gifts may be offered or given in order to gain an advantage in Public tenders. Individual cases must be discussed and approved in writing by subsidiary Sales Director or CEO/Managing Director.

## **5 PROTECTION OF OUR ASSETS**

We are each accountable for the proper use of Company assets at all times. Company assets include all of our tangible property, such as our facilities, equipment, vehicles, networks and computer systems, as well as our intangible assets such as software and other intellectual property.

In order to properly safeguard the Company assets we must also carefully consider any request for information from internal or external parties, which may be harmful to our Company. Be alert to requests for information from anyone inside or outside of LINET Group including:

- Overall business trends
- Business in our geographic territory
- Product orders or deliveries
- Customer's name, contact or other information
- Delivery times
- Lawsuits or intellectual property disputes
- Suppliers

- Prices
- Product development

### **5.1 Compliance with laws**

We are a global company, which operates in a multinational market environment. Complying with laws and acting in accordance with them throughout our Company is critical for further positive development of the Company. Following are the main areas where we need to comply with the given legal requirements.

### **5.2 Fair competition laws**

We never try to gain a better market position through illegal or unfair means. We compete strictly on the basis of the merits of our Company's products, services and people.

To comply with competition laws, we may not enter into formal or informal agreements:

- With customers, suppliers or other business partners that may limit competition, such as agreements to tie the sale of one product on the condition that the buyer purchases a different LINET Group product, fix sale prices, refuse to sell to particular customers or refuse to buy particular products
- With competitors to fix prices, allocate markets, divide customers or engage in activity that would otherwise unlawfully restrict competition

### **5.3 Information disclosure**

The information we disclose about our Company must be complete, fair, accurate, timely and understandable. Only authorized members of management should provide information regarding our Company to the media, investors, government officials or external legal counsel.

### **5.4 Anti-bribery and anti-corruption laws**

As a company, we act in accordance with the highest ethical standards. Such standards require that we never engage in or otherwise support corruption in the locations where we do business. We must therefore follow all applicable anti-corruption laws.

Furthermore, we will not take on any business opportunities which would be even potentially associated with bribes, and we will support our employees in fighting bribery in business activities. For further detail refer to LINET Group Anti-corruption policy.

## 5.5 Export regulations and trade controls

We do our business globally; therefore, it is critical that we carefully comply with all applicable international trade laws and regulations. Each of our subsidiaries should implement internal controls, which govern the import and export transactions. These controls include detailed procedures that aim to ensure proper planning for imports and exports, preparing and presenting data and documentation to relevant government agencies, and maintaining and producing adequate accounting and other records.

## 5.6 Anti-money laundering laws

When conducting our global business activities, it is critical that Managers/Directors monitor subsidiary compliance with local Anti-money laundering laws and regulations. LINET Group potential business partners must be always carefully verified in order to prevent entering into business with untrustworthy / suspicious entities.

## 5.7 Related LG Policies

LG Corporate Governance  
LG Compliance program  
LG Anti-Fraud program  
LG Anti-corruption policy

# 6 NON-COMPLIANCE AND REPORTING

All Individuals are required to adhere to this Policy. Failure to comply may result in disciplinary action up to and including termination from employment for cause, termination of contract, and civil penalties and/or criminal sanctions, depending on the circumstances.

**Use the following contact details to report any non-compliance or violation of internal rules:**

**Email:** [compliance@linetgroup.com](mailto:compliance@linetgroup.com)

**Phone:** +42 312 576 100

# 7 POLICY APPROVALS

Approved on September 24, 2014

Approved by Ing. Zbyněk Frolík, Managing Director LINET Group SE, Dr. Michael Rosada, Managing Director LINET Group SE

## REVISION HISTORY

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2	Added section #6 "Non-compliance" Wording/ Terminology refinements	April 2017	LG Management Board
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5			