



# CODE OF CONDUCT

for the S&T Group

Version January 2020



▶ The reputation of our company and the trust of our customers, investors, employees and the public depends on and arise from the daily conduct of each person who works for S&T AG and its consolidated subsidiaries (the "S&T Group"). We all want to do the right thing for ourselves and for the S&T Group.



This Code of Conduct establishes the way that S&T Group employees are to conduct themselves vis-à-vis their company, colleagues, customers, suppliers and the public. The Code of Conduct applies to all employees, with these including members of the Executive Board and the managing directors of the S&T Group ("employees"). This Code is a summary of binding guidelines. Our Compliance Directive from March 2018 (the "Compliance Directive") applies in relation to the S&T Group's capital markets compliance framework.

This Code of Conduct is primarily intended to serve as an internal policy document. It also provides our business partners with information on the conduct that they can expect from us, as well as on what we expect from them. Following a corresponding resolution by the management of the respective S&T Group's company, this Code of Conduct replaces extant guidelines on the same matters.

 CONTENTS

COMPLIANCE WITH THE LAW	// 4
GOVERNMENT COMISSIONS AND COMBATING CORRUPTION	// 4
RESPONSIBLE MINERAL SOURCING/ REACH AND ROHS COMPLIANCE	// 5
COMPETITION AND ANTI-TRUST LAW	// 5
BUSINESS RELATIONSHIPS AND CONDUCT TOWARDS THIRD PARTIES	// 6
FINANCIAL AND BUSINESS RECORDS	// 6
COMBATING MONEY LAUNDERING	// 7
ADHERENCE TO EXPORT, IMPORT AND TRADE CONTROLS	// 7
ENVIRONMENTAL RESPONSIBILITY	// 8
OUR EMPLOYEES	// 8
MANAGEMENT, RESPONSIBILITY AND SUPERVSION	// 8
TREATMENT OF THE S&T GROUP'S PROPERTY	// 8
HANDLING OF INFORMATION	// 8
DATA PROTECTION AND DATA SECURITY	// 9
CONFLICTS OF INTEREST	// 10
GIFTS	// 11
INVITATIONS AND EVENTS	// 11
DONATIONS, SPONSORING AND ADVERTISING	// 12
CONVENTIONS AND RECOMMENDATIONS OF INTERNATIONAL ORGANIZATIONS	// 12
IMPLEMENTATION AND SUPPORT	// 13
MISCONDUCT AND VIOLATIONS	// 13
COMPLAINTS AND CONCERNS	// 13

## COMPLIANCE WITH THE LAW

Everyone working for S&T Group has to obey the laws and regulations of the legal systems within which we operate, as well as the applicable S&T Group policies. Each employee is obliged to adhere to both national and international laws, and to act in accordance with them. We also require our employees to abide by laws as part of their personal conduct, to meet their personal responsibilities, and to refrain from any activities that may be detrimental to the reputation of the S&T Group.

## GOVERNMENT COMMISSIONS AND COMBATING CORRUPTION

S&T Group competes on a worldwide scale for contracts awarded by public-sector entities and government-owned businesses. It is of essential importance for the S&T Group that we comply with all applicable laws and regulations related to government procurement, with this encompassing those regulations that prohibit attempts to improperly influence government officials. A number of anti-corruption standards have been promulgated on the international level and implemented on the national ones. The latter laws and regulations prohibit bribery and corrupting acts in all and any forms. These include the UK's Bribery Act and the USA's Foreign Corrupt Practices Act. They are strictly enforced and have a worldwide scope of application.

Corruption damages the company's operations as well as the reputation of its staff. At S&T Group, we compete fairly for orders. Our selling points are the quality, prices and innovativeness of our products and services. We do not compete by offering improper benefits to others. It is not permitted under any circumstances to make a payment in order to gain an

unfair advantage in a business transaction. Such an act exposes individuals and our Company to the risk of criminal prosecution. Corruption is not a minor offense. It is an illegal activity. Employees are obliged to refrain from all forms of corrupt conduct, direct or indirect. This particularly applies for attempts to influence decision-makers working for business partners or in the public sector by offering, promising or awarding impermissible advantages; or by authorizing, directing, approving or condoning such conduct by any other person. The term "government official" is defined broadly. It includes officials or employees of any government or other any other public body, agency or legal entity; at any level; and extends to officers or employees of state-owned enterprises and public international organizations. It also includes candidates for political offices; and political parties, their officials and employees. Also comprised



in this are civil servants subject to especially stringent stipulations of behavior. This ban covers the granting of advantages for the commission of illegal acts as well as for refraining from performing acts on the part of public officials. Also encompassed in this is the making of payments that are designed to facilitate the expediting or ensuring of the commission of official acts by public officials. This prohibition also

applies to the offering of improper advantages when engaging in commercial dealings with private parties. Promises, offers, invitations and gifts are not to be made in cases in which they might be deemed to be an attempt to improperly influence a public official or a business partner.

Employees of the S&T Group are also prohibited from demanding or accepting such advantages while conducting business with third parties. This also includes receiving any personal discounts from business partners or competitors of the S&T Group that are granted on a private basis and due to the employee's being part of the S&T Group, in cases in which these discounts are not available to everyone or to a large group of employees of the S&T Group.

#### **RESPONSIBLE MINERAL SOURCING / REACH AND ROHS COMPLIANCE**

S&T Group established a procedure to avoid conflict minerals. S&T Group is committed to avoid in its

products the use of raw materials, which originate from high-risk areas and/or conflict-affected areas and therefore potentially support human right abuse, corruption, the financing of armed groups, terrorism or equivalent circumstances. Moreover S&T Group ensures also the compliance with REACH, RoHS and other applicable regulations in regard with product-related requirements.

#### **COMPETITION AND ANTI-TRUST LAW**

Competition and anti-trust laws are the pillars of efforts to preserve a free market and fair and open competition. Such laws thus constitute the protection of the legitimate interest of customers. The S&T Group is obliged to adhere to national-level competition and anti-trust laws when doing business in the respective country. This commitment ensures that the Group's business activities adhere to the rules of fair competition. This adherence obviates the occurrence of a damaging of the finances or reputation of



the S&T Group. To be noted is that fines can also be imposed in cases in which the impeding of competition was not intentional in nature. Competitors are not to be constrained from acting on their markets. Customers and suppliers are not to be treated in unfair manners. Nor are they to be exploited. All decisions made in these areas have to be objective in nature.

"Illegal agreements between competitors" are defined to be those reached and in force between companies pursuing the same business activities on the same market. No information that might enable the reaching of conclusions about a competitor's current or future market behavior may be accepted or given. Certain kinds of conduct can result in contraventions of fair competition and anti-trust laws. To preclude these, employees are not allowed to

(i) confer with competitors about prices, output, capacities, sales, bids, profits, profit margins, costs, methods of distribution or any other fact or factor that determines or influences the company's competitive behavior, and specifically in cases in which this is designed to elicit accompanying behavior from the competitor;

(ii) enter into an agreement with a competitor foreseeing a refraining from competition; to restrict dealings with suppliers; to submit bogus offers for bidding; or to apportion customers, markets, territories or production programs among the agreement's parties;

(iii) exert influence on the resale prices charged by our purchasers, or to attempt to make them restrict the exporting or importing of goods supplied by S&T. In addition, employees are not to obtain intelligence on competitors or markets by resorting to industrial espionage, bribery, theft or electronic eavesdropping. Nor are they to knowingly communicate erro-

neous information about a competitor or its products or services.

"Illegal arrangements between suppliers and customers" are defined to be those between companies operating on different levels. By way of an example: those that are in a supplier/customer relationship. Such anti-competitive behavior can have serious consequences. These include the levying of fines amounting to up to 10 percent of S&T Group's annual worldwide turnover; imprisonment; the exclusion from tendering for public contracts; and the serious damaging of the reputation of S&T.

## **BUSINESS RELATIONSHIPS AND CONDUCT TOWARDS THIRD PARTIES**

The S&T Group strives to conduct its relationships with customers, suppliers and other business partners in a partner-like manner. The S&T Group treats all business partners in a fair and respectful manner, and bases its competition for customers on the quality and advantages of its products and services. The S&T Group commits itself to conducting itself fairly towards competitors, and to supporting free and undistorted competition. The achievement of these objectives requires each employee's observing and abiding by the principles of free competition. S&T expects its suppliers to share S&T's values and to comply with all applicable laws and regulations. S&T Group furthermore expects its suppliers to act in accordance with the principles adopted by S&T Group and codified in this document, and, as well, to adhere to all legal stipulations, and to foster compliance by their proprietary suppliers with S&T Group's Code of Conduct.

## FINANCIAL AND BUSINESS RECORDS

All employees are obliged to ensure that business and financial records are correct, truthful and complete. All books and records are to depict each transaction or expenditure in an objective and true way. Their entering and maintenance are to be undertaken in prompt manners. They are to be kept up-to-date, and are to be in accordance with applicable accounting rules and standards. Such books and records are to comprise all data, certifications and other written materials required for financial reporting and disclosure purposes, and, as well, materials collected for other reasons.

## COMBATING MONEY LAUNDERING

"Money laundering" is the process of disguising the nature and source of money arising from the pursuit of such criminal activities as terrorism, drug trafficking or bribery – and then feeding such "dirty money" into streams of finance and business. Such laundering is undertaken to give the money the appearance of being legal, and to conceal its source or the identity of its owner. S&T Group has committed itself to conducting business with reputable customers, with "reputable" being defined as those parties that are engaged in lawful business activities, whose funds stem solely from legal sources, and whose operations adhere to the stipulations of anti-money laundering and anti-terrorism laws. All employees of S&T Group are required to follow all record-keeping and accounting requirements when pursuing cash-based and other kind of transactions. They are also obliged to adhere to the stipulations of contracts.

## ADHERENCE TO EXPORT, IMPORT AND TRADE CONTROLS

The importing and exporting of products and services are highly regulated. S&T Group complies with all applicable export controls and customs laws and regulations in the countries in which it does business. Export controls generally apply to the dispatching of goods, services, hardware, software and technologies across certain national borders, with this including those pursued by E-mail. Such laws can be applied to the direct and indirect exporting to and importing from countries upon which sanctions have been imposed. These laws also apply to third party countries under suspicion for reasons of their possibly posing threats to national security or being



involved in criminal activities. Contraventions of these laws and stipulations can give rise to major-scale punishment and penalties, including fines and officially decreed exclusions from simplified import and export regulations. All employees whose work entails dealing with imports and exports are obliged to observe all applicable laws and stipulations.

## ENVIRONMENTAL RESPONSIBILITY

S&T Group confirm to all applicable environmental legislations. S&T Group has a clear understanding of the environmental risks, impacts and responsibilities that S&T Group have associated with its business conduct and the products/services S&T Group supplies. S&T Group is committed to improve on an ongoing-basis its sustainability performance. S&T Group has a process in place to mitigate environmental risks.

## OUR EMPLOYEES

S&T Group's staff is comprised of individuals of a variety of ethnic backgrounds, cultures, religions, ages, levels of ability (disabilities), races, sexual identities, mindsets and genders. The diversity of our staff constitutes a driver of the successes achieved



by the S&T Group. All employees are treated equally. S&T Group does not tolerate discrimination against anyone. It especially does not tolerate sexual harassment or any other form of aggression towards individuals.

These principles apply on both the internal and external levels. They thus encompass dealings with partners. The S&T Group's policy is to employ staff that possess the highest degrees of motivation and capabilities. To maintain and enhance these, the S&T Group invests in the development of staff expertise.

## MANAGEMENT, RESPONSIBILITY AND SUPERVISION

S&T Group's culture of business integrity and compliance with rules is driven by its senior managers. Each of them is required to fulfill their duties of organization and supervision in an exemplary way. All managers bear responsibility for the conduct of the employees entrusted to them. This means, among other things, that each manager has to accentuate the importance of ethical conduct and compliance, to keep them up as regular topics of everyday dealings, and to foster these through personal leadership and through training. To be noted is that the manager's fulfillment of these responsibilities does not relieve other employees of this requirement.

## TREATMENT OF THE S&T GROUP'S PROPERTY

Employees are obliged to treat S&T Group's property and resources with the greatest care. Unless special approval for such has been obtained, corporate machines and equipment are to be used solely for business purposes - and not for personal pursuits.

## HANDLING OF INFORMATION

S&T AG's stock is listed on the Frankfurt Stock Exchange. As a listed company, the S&T AG is subject to the stringent requirements imposed on players on capital markets. The efficiency of the financial market



is to a large degree based on the confidence accorded to it by its participants, with this particularly applying to the accessibility of public information and to the non-disclosure of confidential information. The S&T Group is therefore obliged to maintain a particularly high level of care when handling non-public information. This is undertaken to ensure that all market participants enjoy the same opportunities and conditions. Specific regulations on such are laid down in the Compliance Directive of S&T AG.

Employees are obliged to handle non-public information confidentially, and to ensure that it is not accessible to third parties. The confidentiality of information about operational and business secrets has to be safeguarded. Comprised in this is non-public information from or on suppliers, customers, employees, agents, consultants and other third parties. This also entails information on items in which contractual partners of the S&T Group have confidential interests. "Third parties" are defined to be family members, friends and acquaintances. The obligation to maintain confidentiality is in force subsequent to the termination of the relationship of

employment. Within the S&T Group, information is only to be shared with those employees who require it to handle their professional responsibilities.

All information to which stock quotes respond in a sensitive manner is strictly confidential. The misuse of insider information is prohibited. This misuse is a criminal offense. All legal requirements and compliance regulations are to be adhered to when treating insider information. The obligation to maintain secrecy exists without limitation after the termination of the relationship of employment.

## DATA PROTECTION AND DATA SECURITY

The personal data provided to the S&T Group by customers, employees, shareholders and suppliers is highly sensitive. Employees are not permitted - without having secured the consent of their supervisor - to make records, files, video or audio recordings or reproductions of such in cases in which such activities are not directly related to S&T's business. Personal data may only be collected, processed or



otherwise used in cases in which this is required for explicit and lawful purposes. In addition, personal data must be maintained in a secure manner and appropriate precautions should be taken when transmitting them. The observance of measures to ensure the security of information is considered particularly important. Any use of personal data must be transparent to the person concerned and their right to be informed must be guaranteed, as has to be their right to correct and, if necessary, to contradict, block or erase such information. Personal data is to be secured in a safe way, and to be transmitted only in cases in which the requisite precautionary measures have been applied. Such data is to be protected with all the suitable technical and organizational means at the company's disposal, in order to prevent unauthorized access or impermissible or abusive misuse or loss.

Each use of personal data has to be undertaken in a way that is transparent to the person involved. Required to be guaranteed is her or his right to be correspondingly informed of such, to correct such data, to object to its processing, or to limit such, and to block or delete such. Also, to be ensured is her or his right to the transferring of data. The S&T Group collects and processes personal data only upon having secured the consent of the person involved. This enables the adherence to legal and/or contractual obligations. Such processes are pursued in cases of justified interest, to the extent that they are permitted by laws and regulations. The S&T Group collects, processes and uses personal data only in an appropriate extent. Each case of undertaking such arises from the respective purpose. The S&T Group respects the comprehensive rights held by each person whose data is collected, processed or used in another way.

## CONFLICTS OF INTEREST

All employees are obliged to conduct themselves in ways preventing the arising of conflicts of interest that may be detrimental to the S&T Group. All employees must therefore maintain a clear distinc-



tion between the interests of the S&T Group and their own personal ones. An employee may not operate or work for a company that competes with S&T. She or he may not engage in any competing activities.

The pursuit of any ancillary employment that is not in the interests of the S&T Group is forbidden, with this especially entailing those due to competitive reasons. Any paid ancillary employment has to be reported, and can be prohibited should it interfere with the employee's professional duties at the S&T Group. This also applies to supervisory board or advisory board activities in external companies.

The holding - direct or indirect - of shares in companies that are competitors of the S&T Group that give rise to an entrepreneurial influence requires the securing of approval by the Executive Board. It can be assumed, as a general rule, that the capability to exert influence on the management exists in cases in which such a stake is greater than 5% of the competitor's total capital.

Employees (and their close relatives) who influence or could exert influence on the awarding of commissions have to disclose their stakes in potential suppliers in cases in which such stakes are greater than 5% of these companies' capitals. The disclosure of an interest in a third company may be followed by S&T's taking measures that lead to the elimination of any conflict of interest.

The rendering of statements in the public, especially on the Internet or other media (such as press, radio, TV, etc.) that are not part of an employee's work but (i) that deal directly or indirectly with it; (ii) that pertain to the S&T Group; or (iii) that could be interpreted as being part of the employee's work for S&T by a third party have to be denoted by her or him to be a personal opinion. Such statements have to be objective and fair, have to not constitute insults, and have to show respect toward others - in accordance with the guiding principles contained in this Code.

## GIFTS

The making of gifts between business partners is - provided it is of appropriate scope - an established part of business practice. "Gifts" are to be understood to be physical items as well as a variety of benefits or advantages. These include the promise of a discount, invitations, and offers to give paid presentations and the like. It makes no difference whether these perks

are offered directly to a business partner or indirectly - via and to their family members or acquaintances. A gift is deemed excessive in scope in cases in which it - objectively observed - could compromise the receiver's ability to make an objective decision. Impermissible are all forms of gratuities that could compromise the recipient's ability to reach an objective decision, or that could damage the reputation of the company. Permissible is the occasional acceptance by employees of gifts of minor value, provided that such accords to the above conditions.

Gifts may not exceed a value of EUR 100 per business partner (= company / individual) per quarter of a year - unless so otherwise stipulated by local regulations. A gift exceeding this value has to be politely refused. Please invoke when doing so this Code of Conduct. The offering of gifts of money and other items to public officials is not allowed.

Please consult with your superior in cases of uncertainties as to the valuation of gifts and the ceilings placed on such, and on the appropriateness of these. The ensuing, jointly-reached decision is to be documented.

## INVITATIONS AND EVENTS

Invitations to business meals are allowed, provided that their value does not exceed EUR 100 per business partner (= company / individual). Invitations to business meals addressed to public officials must be commensurate with the positions of the people involved and are on no account to give rise to the impression of trying to exert influence. Please consult with your superior in cases of uncertainties as to the valuation of meals and the ceilings placed on such, and on the appropriateness of these. The ensuing, jointly reached decision is to be documented.

Permissible is the attendance of events or the acceptance of invitations to attend such, provided that they have a clearly-apparent business purpose (such as professional training or corporate or product presentations). This includes an appropriate level of hospitality. The S&T Group in general covers the costs of travel and accommodation, provided that these are obviously business in nature.

Accepting invitations from business partners to events lacking a clear business purpose or without any business focus at all requires the approval by the employee's superior and needs to be documented.

### DONATIONS, SPONSORING AND ADVERTISING

The S&T Group donates money and provides other form of support to projects undertaken in the areas of education, the sciences, the arts, culture, athletics and societal affairs. This provision has to be transparent in nature. This entails the documentation of the recipients and objectives of the donations. This inclusion is necessary to depict the motives for and objectives of the donations. These have to be legally permissible. Remuneration that is seemingly a donation and that is actually granted for services rendered, and that substantially exceeds the value of the service itself contravenes the necessity to ensure transparency, and is thus prohibited.

The above also applies to sponsoring. All activities in this area have to be transparent. This requires their being formulated in a written contract, their being for serious business purposes, and their evincing an appropriate relationship to the consideration to be supplied by the stager of the event.

Not to be granted are donations of money or items to persons, private bank accounts, or political parties or

organizations that are closely affiliated with them, in cases in which doing such would harm the reputation enjoyed by the S&T Group. Events organized by political parties or public entities are not as a basic rule to be supported by S&T.

### CONVENTIONS AND RECOMMENDATIONS OF INTERNATIONAL ORGANIZATIONS

In addition to the laws and regulations of individual countries, there are a number of important conventions and recommendations issued by international organizations. Although these documents primarily pertain to and cover member states and thus not directly multinational companies, such standards do nevertheless serve as important guidelines for the latter's conduct and for that of employees. S&T observes the stipulations of these conventions and recommendations. S&T therefore expects its employees, suppliers and business partners around the globe to recognize and apply them, with this particularly applying to the:

- ▶ Universal Declaration of Human Rights (1948) and European Convention for the Protection of Human Rights and Fundamental Freedoms (1950)
- ▶ ILO (International Labor Organization) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (1977) and ILO Declaration on Fundamental Principles and Rights at Work (1998) (especially its rules on the following issues: elimination of child labor, abolition of forced labor, prohibition of discrimination, freedom of association and right to collective bargaining)
- ▶ OECD Guidelines for Multinational Enterprises (2000)

- ▶ "Agenda 21" on Sustainable Development (concluding document of the founding UN Conference on the Environment and Development, Rio de Janeiro (1992))
- ▶ UN Convention Against Corruption (2005).

## IMPLEMENTATION AND SUPPORT

The implementation of the Code of Conduct is the responsibility of the local managers. When doing so, they work closely with the members of their teams. Group HR and HQ are available on a 24/7/365 basis to handle any questions that may arise.



## MISCONDUCT AND VIOLATIONS

Violations of norms of professional behavior and other forms of professional misconduct have serious consequences for the employee and for the S&T Group. Misconduct will not be tolerated. The managers of the S&T Group are to serve as role models in

this regard. The S&T Group punishes each case of willfully-committed and unlawful misconduct and of violations of internal guidelines. This is done in a consistent way. This punishing does not take into account the employee's rank or position in the corporation.

## COMPLAINTS AND CONCERNS

All employees are entitled to report cases of contraventions of compliance regulations, be they proven or suspected. This is to be done via the following ways – by reporting such cases to

- ▶ a member of the Executive Board of S&T AG
- ▶ the S&T Group Compliance Officer
- ▶ a senior manager or to the employee's superior
- ▶ a member of the legal department
- ▶ a member of the human resources department
- ▶ a member of S&T's group audit department

Another option is availing oneself of the whistleblower platform, which is maintained on S&T's website and which can be reached under: <https://compliance.snt.at>.

All complaints can be submitted at any time both confidentially and anonymously. The S&T Group places a great importance on its employees' being willing to report cases of breaches of compliance codes, and suspicions of such, and of being able to do such without fear of incurring legal, professional or personal disadvantages. All complaints will be investigated. Corrective measures will be implemented if necessary. All documentation will be kept confidential to the extent permitted by law. No reprisal of any kind against complainants will be tolerated.



## On S&T AG

S&T AG ([www.snt.at](http://www.snt.at)) heads a technology group that employs some 5,000 persons and that operates in more than 32 countries around the world. S&T AG is listed on the Frankfurt Stock Exchange (ISIN AT0000A0E9W5, WKN A0X9EJ, SANT). S&T forms part of the Exchange's TecDAX® and SDAX® indexes of high techs. S&T is a leading supplier in Central and Eastern Europe of IT systems and of the services and solutions comprised in them. S&T's taking in 2016 of a stake in Kontron AG – one of the leaders on the world's market for embedded computers – has enhanced its portfolio of proprietary technologies used in the fields of appliances, cloud security, software and smart energy. This move has made S&T one of the leading suppliers on the international markets for Industry 4.0 and IoT (Internet of Things) technologies.



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