

# CODE OF CONDUCT

CODE OF BUSINESS CONDUCT & ETHICS

Januar 2018



# Contents

---

<b>CODE OVERVIEW</b>	Page 4
Why Do We Need a Code of Conduct?	Page 4
Who is Governed by this Code of Conduct?	Page 4
What Are My Responsibilities?	Page 5
What Are a Supervisor's or Member of the HR Staff's Responsibilities?	Page 5
What Happens Once a Concern is Raised?	Page 6
<b>DIVERSITY AND RESPECT IN OUR WORKPLACE</b>	Page 7
Global Labor Principles	Page 8
Freedom from Harassment and Discrimination	Page 8
Promote a Safe and Healthy Workplace	Page 8
<b>BUSINESS INTEGRITY</b>	Page 9
Legal Compliance	Page 10
Conflicts of Interest	Page 10
Anti-Bribery and Anti-Corruption	Page 10
Giving and Receiving Gifts	Page 10
Working with Customers, Suppliers and Business Partners	Page 10
Confidentiality and Protecting our Corporate Assets	Page 11
Fair Competition	Page 12
Communication	Page 12
Accurate Business and Financial Records	Page 12
<b>ENGAGING IN SUSTAINABLE PRACTICES</b>	Page 13
Commitment to Corporate Social Responsibility	Page 14
Environmental Protection	Page 14

# Letter from the Executive Board

Operating with the highest level of ethics and integrity is a core value that guides how we at MEGATECH interact with our colleagues, customers, regulators, suppliers and other stakeholders to grow, innovate and maintain a sustainable competitive advantage.

Our Code of Conduct provides standards of business conduct that serve as a foundation for our entire Company's commitment to integrity. To act with integrity means that you are always seeking to do what is morally and ethically right. When you are unsure of how to proceed in a work situation, this Code provides valuable guidance and instructions for making decisions and taking actions that are consistent with our ethical standard. In addition, it is meant to encourage you to speak up when you witness or hear of activity that could contradict our values.

Please read this Code carefully and be sure to understand what is expected of you as a member of MEGATECH Group. There can be no ethical shortcuts to creating a great Company, one in which we all take pride.

We appreciate your personal commitment to embracing the spirit of our Code in all that you do for MEGATECH Group.



**Erik Reiter**

*Chief Executive Officer*

**Dr. Maximilian Gessler**

*Chairman of the Executive Board*

# Code Overview

---

## Why Do We Need a Code of Conduct?

At MEGATECH, we are committed to ethical conduct in everything we do. Without guiding principles, it is not easy to always know how to identify the right path to take, once identified, to follow it. Our Code of Conduct (the “Code”) serves as our guide when we need advice determining the right course of action as we perform our daily responsibilities at work. The guide aims to help each of us to know what is expected of us as workforce members and to make sure we act knowingly and with integrity.

The Code aims to ensure that all employees of MEGATECH Group act with the highest level of integrity, comply with applicable laws, and build a better future for our company and the communities in which we do business. MEGATECH endorses the United Nations (“UN”) Declaration of Human Rights, the International Labor Organization (“ILO”) Conventions and the Organization for Economic Co-Operation and Development (“OECD”) Guidelines for Multinational Companies. This Code is intended to be consistent with these policies.

The Code is approved by the Board of Directors of MEGATECH Industries Aktiengesellschaft and applies to its workforce and its subsidiaries which are collectively defined as the “MEGATECH Group”.

## Who is Governed by this Code of Conduct?

The Code applies to all board members and officers at MEGATECH Industries Aktiengesellschaft and its subsidiaries, as well as all full-time and part-time employees of MEGATECH Group. The Code also applies to all temporary, contract and all other individuals and companies that act on behalf of MEGATECH Group. We refer to this group collectively as our “workforce”.

MEGATECH has a global workforce located in many countries with varying legal requirements. In addition, some of our contractual personnel may be governed by additional policies by their direct employer. While we recognize the diversity and complexity of the rules that apply to our workforce’s conduct, we do not expect that the Code will conflict with the expectations inherent in such rules.

## What Are My Responsibilities?

Whenever and wherever you are working on behalf of MEGATECH Group, or interacting with others, you must abide by the Code. All workforce members must be aware that they represent MEGATECH Group with their behavior, even outside of work hours if the activity involves representing MEGATECH Group, to the extent permitted by local law. Your conduct affects both the external reputation of the company and its internal culture.

We seek to create an environment that promotes values, adheres to and rewards ethical conduct as practiced by all members of our workforce ensuring the dignity of each individual is respected. We expect that you will always adhere to every aspect of the Code, as well as applicable law and regulations. All workforce members are expected to treat others as they themselves expect to be treated. You are not only expected to know and follow the Code, you are strongly encouraged to uphold the Code by promptly reporting activities that are not within the spirit of the Code. You are expected to take quick and decisive actions to address violations of the Code, ask questions and seek guidance.

You may be required periodically to certify your understanding of, and adherence to, the Code. If required such certification is mandatory.

## What Are a Supervisor's or Member of the Human Resources Staff's Responsibilities?

Supervisor refers to any individual responsible for leading, managing or supervising workforce. As a Supervisor or member of the Human Resources staff, you are expected to:

### Know the Code

It is important that you understand the essence of the Code and are able to comfortably respond to day-to-day questions.

### Serve as a Role Model

As a Supervisor, you are expected to model ethical behavior and lead with integrity at all times.

### Create a Safe and Supportive Environment for Reporting

We ask all Supervisors to provide an environment where people feel comfortable and supported in discussing their concerns. Oftentimes, people are fearful that openly reporting ethical misconduct may in some way jeopardize their own careers or result in some form of retaliation. In your role, you need to ensure that there will be absolutely no tolerance for retaliation against a person who reports a concern in good faith. Also, if action is being taken against someone who violated the Code, advise against speculation about who reported the infringement.

### Know How to Handle Concerns

If you are approached about a situation involving ethical misconduct, we expect that you will take immediate steps to address the issue. If you are asked to interpret or apply the Code or any of the associated laws and regulations, and you are unsure how to respond immediately escalate by contacting any individuals provided in the MEGATECH Ethics and Compliance Contact List.

## What Happens Once a Concern is Raised?

### Investigation of Illegal or Unethical Conduct

All concerns raised or allegations of misconduct will be investigated by appropriate investigators, subject matter experts or management personnel. If wrongdoing is uncovered, appropriate corrective action will be taken regardless of the level and position of the individual involved. All cases will be tracked until their final resolution.

### Confidentiality is Key

Reports or inquiries may be made on an anonymous basis, unless not allowed by local law. However, it is helpful to provide your name and contact information so you can be reached for potential follow-up questions. All information provided and the identity of the individual reporting misconduct will only be shared on a "need to know" basis with those responsible for the investigation and empowered to order corrective action.

### No Tolerance for Retaliation

Any member of the workforce who in good faith seeks advice, raises a concern or reports misconduct is doing the right thing. Retaliation against any person who voices a possible violation of the Code will not be tolerated. Anyone who retaliates against someone for reporting an issue in good faith has violated the Code and is subject to disciplinary action, up to and including termination. No individual may be demoted, terminated, suspended, threatened, harassed, coerced or intimidated as a result of reporting, in good faith, unethical behavior.



## Diversity and Respect in Our Workplace

---

Global Labor Principles

Freedom from Harassment and  
Discrimination

Promote a Safe and Healthy Workplace

## Freedom from Harassment and Discrimination

MEGATECH Group values integrity, respect and does not tolerate any form of harassment, bullying or other discriminatory conduct, such as jokes, slurs or other offensive remarks. Implicit or explicit threats, intimidation, or violence at the workplace are unacceptable.

### Forms of harassment include:

- Sexual advances and / or requests for sexual favors
- Verbal or physical threats of any kind
- Displaying or distributing derogatory material
- Making ethnic, religious, age-related, sexual jokes or insults
- Demonstrating hostility towards others based on personal characteristics
- Inappropriate comments, jokes, physical contact or gestures

If you observe or experience any form of harassment, report it to your Supervisor or a member of the Human Resources staff. MEGATECH Group takes any allegations seriously and will investigate complaints thoroughly and will try to resolve them as quickly and positively as possible whilst ensuring the rights of all parties are protected.

## Global Labor Principles

MEGATECH's workforce is our most valuable asset. As such we are committed to treating our employees with the highest level of respect and integrity. We consider the following principles as binding:

## Discrimination

MEGATECH Group provides equal employment opportunities to individuals of diverse backgrounds and experience. We do not discriminate on the basis of race, ethnicity, color, gender, sexual orientation, religion, age, nationality, disability, political or philosophical beliefs, trade union activities or any other status that is protected by law.

## Child Labor

MEGATECH Group complies with national legislations and regulations governing child labor. In accordance with International Labor Organization standards, we comply with provisions regarding health, safety and morality of young people aged between 15. and 18. MEGATECH Group ensures that its suppliers and partners adopt the same provisions.

## Promote a Safe and Healthy Workplace

MEGATECH Group is committed to providing all employees with a safe and productive work environment. Accident prevention, in particular through the provision of adequate training and information is of outmost priority. Members of our workforce are expected to share this commitment and to ensure compliance with all health and safety guidelines established by MEGATECH Group.



## Business Integrity

---

Legal Compliance

Conflicts of Interest

Anti-Bribery and Anti-Corruption

Giving and Receiving Gifts

Working with Customers,  
Suppliers and Business Partners

Confidentiality and Protecting Our  
Corporate Assets

Fair Competition

Communication

Accurate Business and Financial Records

## Legal Compliance

Compliance with applicable law is mandatory for all of our employees and is critical for MEGATECH's reputation. Employees who violate these regulations may be punished by disciplinary action including the termination of the employment. Lawful requests from government authorities must be answered honestly and accurately.

## Conflicts of Interest

All members of our workforce are obligated to engage in conduct that protects and promotes MEGATECH's best interest at all times.

A conflict of interest exists when members of MEGATECH's workforce engage in activities or have interests that compromise the interests of the Company. Such activities may harm MEGATECH financially but could also be damaging to our reputation.

### **The following examples constitute potential conflicts of interest:**

- Accepting personal services or payments from a supplier, customer or competitor
- Making a material investment in a supplier, customer or competitor
- Benefiting from opportunities that are discovered through the use of MEGATECH property, information or position
- Working outside MEGATECH without approval of Supervisor, especially in an industry related to MEGATECH
- Receiving improper benefits as a result of an employee's position at MEGATECH

Our employees are expected to always act with the highest level of integrity when dealing with business partners and to act solely in the best interest of the Company. If you believe you are involved in, or you are aware of any situation that could result in a potential conflict of interest, you are obliged to disclose it to your Supervisor or a member of Human Resources.

## Anti-Bribery and Anti-Corruption

MEGATECH Group is committed to the highest standards of integrity, honesty and fairness and will not tolerate any kind of bribery. This means that no employee shall directly or indirectly, give, offer, request, promise, authorize, solicit or accept anything of value to secure an improper advantage to obtain or retain business.

## Giving and Receiving Gifts

All relationships with our suppliers and customers must be based entirely on sound business decisions and fair dealing.

### **Please ensure the following rules when giving and receiving gifts:**

- Never give or accept cash or cash equivalents, such as gift cards
- Never solicit gifts
- Always disclose the purchase of gifts and identify the recipient in expense reports

Gifts that are not excessive in value, are consistent with customary business practices and do not violate any laws or regulations are permitted. Business related entertainment such as business-related meals or infrequent invitations for activities, such as sporting or cultural events may be appropriate if not lavish and if accompanied by a representative of the supplier or customer.

## Working with Customers, Suppliers and Business Partners

MEGATECH's stakeholders are valued partners and an integral part of our success. Hence, our interactions must be honest and fair. Terms and conditions of collaboration, incl. payment policies, confidentiality, and the use of intellectual property among others, must be clearly communicated. Suppliers are selected based on quality, service, technology, price and a commitment to share MEGATECH's ethical values.

## Confidentiality and Protecting our Corporate Assets

MEGATECH's corporate assets must be safeguarded and used only for our company's business interest. Files, assets and technical information among others are important assets that may be critical in preserving our results and market position.

**The following are examples of proprietary information owned by the Company and protected by law:**

- Sales, pricing, financial, technical or other corporate databases or information
- Engineering and other technical data
- Production methods, techniques or know-how that is not public knowledge
- New product development

All these elements are property of MEGATECH that must be protected by our employees and returned on termination of an employee's employment contract. It is forbidden for any employee to share this information with third parties without prior authorization, or to other MEGATECH employees without authority to access it.

Any use for personal purposes, for personal gain or to compete with MEGATECH, of information obtained in the course of the employee's professional activity is strictly prohibited. Any infringement on this rule may result in legal action.

Works of authorship incl. designs, technological advances or unique solutions to a business problem are so-called "intellectual property" that may be protected by patents, trademarks, copyrights or trade secrets. If you believe you have an intellectual property asset that must be protected, please contact your Supervisor or HR representative. Likewise, please contact your Supervisor or HR representative if you suspect that someone is misusing MEGATECH's intellectual property. Finally, we respect the intellectual property of others as we take care of our own.

## Fair Competition

MEGATECH believes in strict compliance with the rules and laws governing competition. Any written or unwritten understanding, agreements, plans, arrangements, or schemes among competitors involving price, territory, production volume, market share, and/or customers are strictly forbidden under such laws.

Therefore, MEGATECH's workforce is not allowed to enter into such agreements or understandings with MEGATECH's competitors.

## Communication

MEGATECH Group recognizes the importance of honest, clear and effective communication, both internally and externally. We believe in open, two-way communication and seek to promote understanding between leadership and our workforce as well with other stakeholders.

Only designated employees are allowed to talk to the media (TV, newspaper, journalists, radio, internet, etc.) on behalf of MEGATECH. When approached by media, each employee should refer to Top Management and/or to a designated Spokesperson.

## Accurate Business and Financial Records

MEGATECH Group bases decisions on the accuracy of information recorded at all levels of the company and also makes public disclosures based on that information. Therefore, all information and records must be maintained accurately, they must reflect MEGATECH's transactions correctly and must be conform to applicable legal and accounting requirements. If you believe that a record is inaccurate, false or misleading, you must promptly report this to your Supervisor.



## Engaging in Sustainable Practices

---

Commitment to Corporate Social Responsibility

Environmental Protection

## Commitment to Corporate Social Responsibility

MEGATECH Group understands the value and importance of the support it receives from the communities in which it operates as well as its responsibility to align the corporate values with the social, environmental and economic needs of those communities.

## Environmental Protection

**MEGATECH Group is committed to protecting human health, natural resources and global environment. Our daily business practices include the following:**

- Reduction of waste and pollutants while conserving resources and recycling materials at every stage of the production cycle
- Development and implementation of technologies that aim to minimize the negative impact on the environment
- Adherence to environmental laws and regulations