

## CODE OF ETHICAL BUSINESS CONDUCT



### MESSAGE FROM THE CHAIRMAN AND THE CEO

Compliance matters to Ascom. Ascom's reputation is a most valuable asset, which is affected to a large extent by the behaviour of each of us. Our business activities must be based on the highest ethical standards to meet the expectations of our customers and other stakeholders. Each of us must ensure that Ascom meets its responsibilities throughout the world.

The management of Ascom is committed to highly prioritise the implementation of the Principles set out in this Code of Ethical Business Conduct and that each employee understands the background and content of such Principles, e.g. through regular and mandatory education.

Failure to comply with the legislation can result in serious civil and criminal penalties for the employees concerned and the company. In the event of a violation of our Principles, the employee must expect appropriate but strict responses, including termination of employment.

Staying compliant is not an option; it is the only way to succeed in today's challenging global environment. We wish us every success in our business endeavours.

A handwritten signature in black ink, appearing to read 'Juhani Anttila'.

Juhani Anttila  
Chairman

A handwritten signature in black ink, appearing to read 'Fritz Mumenthaler'.

Fritz Mumenthaler  
CEO

**ascom**

**Code of  
Ethical Business Conduct**

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# Overview

## 1.1 Scope and Purpose

The Ascom Code of Ethical Business Conduct contains binding and worldwide Principles covering all business activities in the area of anti-corruption, labour, human rights and environment. One of the main purposes of these Principles is to help employees to better cope with the ethical and legal challenges which they are confronted with in their daily work. They apply to each and every Ascom employee throughout the world. Every Ascom employee is responsible to ensure that their behaviour and the behaviour of the employees that report to them fully comply with these Principles.

This Code is supplemented by additional directives and guidelines applicable for all Ascom employees worldwide.

## 1.2 The UN Global Compact

Ascom is signatory of the UN Global Compact Initiative. As member of UN Global Compact, Ascom commits to embrace and support a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. The 10 principles of UN Global Compact are part of Ascom's business strategy and operations and suitably complement the present Ascom Principles. More information can be found under [www.unglobalcompact.org](http://www.unglobalcompact.org).

## 1.3 Reporting

Each employee is encouraged to draw attention to circumstances that indicate a violation of the Principles and inform the line manager, the Human Resources director or the Ascom Compliance Officer accordingly; and each line manager must notify a violation of the Principles by their employees to the respective functions as outlined above ("whistle-blowing"). Reporting procedures shall permit anonymous notification and take into account the confidentiality of the case. The matter will be investigated thoroughly, and, if necessary, appropriate action will be taken. No employee shall be criticised if contracts are lost as a consequence of compliance with the Principles; no employee must fear disadvantages if they inform the appropriate person as outlined above of a proven or suspected violation of the Principles.

## **2 Ethical Business Conduct Principles**

Every employee must comply with the statutory provisions of the legal system which applies to their business activities and which take precedence over these Guidelines if they are more strict, and must under all circumstances avoid violations of the law. In particular, all Ascom employees have to act in compliance with the following Principles:

### **2.1 we do not tolerate any form of corruption incl. bribery**

We compete for contracts on the basis of the quality and value of our innovative products and services. No employee may offer or grant improper / undue advantages linked with the business activity, neither in the form of monetary payments and donations nor in the form of other goods and services. This rule applies not only to officials but also to employees, agents or other representatives of customers, suppliers and any other person. This regulation also applies to indirect offerings through third parties, particularly through agents, brokers, consultants or suppliers, or through distributors. All Ascom employees are also instructed to immediately reject active or passive attempts of bribery from persons outside Ascom.

Extensive hospitalities, e.g. invitations to luxurious dinners, weekend getaways or entertainment are forbidden. Invitations to business meals extended with a view to foster legitimate business are permissible only up to an amount permitted by local policies and regulations, but in any case not exceeding the equivalent of EUR 100 per person/per meal and a total of EUR 300 per person/per year. Exceptions must be approved by Legal and Compliance.

Every employee may extend or receive nominal gifts on socially acceptable occasions up to an amount permitted by local policies and regulations, but in any case not exceeding the equivalent of EUR 100 per person/per gift and a total of EUR 300 per person/per year. Exceptions must be approved by Legal and Compliance.

We issue and maintain true and accurate records relating to our dealings, in particular, we take care that our invoices truthfully and completely reflect real services provided and real goods delivered. We expect the exact same conduct from any third parties we deal with, in particular suppliers of services and goods, and our clients as well. In particular, we only pay third party invoices if we are convinced that they accurately and truthfully reflect real and legitimate services or goods provided.

### **2.2 we comply with anti-trust law**

Every employee must comply with all applicable anti-trust and competition laws. Any and all agreements, understandings and discussions with competitors on a) prices and price elements, namely price fixing, b) production, supply or delivery volumes, namely volume restrictions, c) specific business partners and sales areas, namely customer and market allocation, are strictly prohibited.

Also strictly prohibited are a) any and all agreements and understandings with or binding recommendations to distribution partners limiting their freedom to set their own resale prices or margins, and b) any and all agreements and understandings to prohibit or restrict passive sales into another sales area.

Ascom operates autonomously and independently on the markets.

## **2.3 we follow the insider trading rules**

Insider information is defined as all information that is not publicly known and that is suitable for influencing the decision of an investor to buy, sell or hold a security.

Persons holding insider information relating to Ascom or its subsidiaries are not permitted to engage in trades of publicly listed securities of Ascom as long as the insider information is not generally known to the public. Insider information must not be transmitted to outsiders (for example, to journalists, customers, financial analysts, advisors, family members or friends). Within the company, information must not be passed on unless the recipient needs the information to perform their job within Ascom. Insider-related knowledge must always be protected against unauthorised access. In addition, persons who hold insider information must not give any investment tips to third parties.

## **2.4 we know our business partners**

If a contract partner acts on our behalf (e.g. agents, distributors, suppliers, OEM's), it is very important that such partners are evaluated and regularly assessed through a risk based and adequate due diligence process. Ascom employees shall request all necessary and appropriate information and documentation which may evidence the ownership structures of the partner and which is important for the business in scope, e.g. extract of commercial register, prosecution statements.

## **2.5 we adhere to export restrictions**

Export controls and sanctions imposed by applicable laws affect a high proportion of Ascom's products and services. The purpose of these controls and sanctions is to limit the supply of technology and strategic goods to certain countries or persons or for certain end-uses designated in such laws for reasons of international security and to fight terrorism. We must therefore monitor and understand these rules and restrictions and ensure we fully comply with them. We must regularly screen and vet our contract partners and know the destination and end-use for our products and services.

## **2.6 we protect our business property and trade secrets**

Business property must be used for business purposes only. Employees must maintain confidentiality with regard to all company and business secrets and other protected information about Ascom, its business activities, technology or intellectual property, financial position or staff, as well as information on Ascom's customers, suppliers, partners, both during the period of employment and after its termination. The Ascom operational data must also be treated as the property of Ascom.

## **2.7 we respect the others**

We are open and honest in our relationships with each other. Honesty and integrity are the behaviours expected from Ascom employees, including respect for the interests of our business partners and of third parties Ascom does business with. Ascom expects that all employees treat their co-workers, business partners and any other person fairly and with respect of their individual dignity, privacy, and personal rights. Any discrimination of employees based on their sex, race, physical impairments, origins, sexual preferences, political opinion, religion and any other characteristics protected by local law, is prohibited. The company will not tolerate any form of personal harassment.

## **2.8 we lead by example**

When hiring, supervising and promoting employees, our management has to be guided solely by the employee's qualifications and suitability for the intended activity. Every line manager is responsible for the employees that they supervise. They must earn the employees' respect through exemplary personal behaviour, solid performance, openness, honesty and social skills. They support the employee to grow in their individual performance. Employees have to receive clearly formulated, ambitious, but also realistic goals, and must be given as much independent responsibility and latitude as possible.

## **2.9 we are loyal and avoid conflicts of interest**

Ascom expects its employees to be loyal to the Group and to avoid activities and business commitments that might conflict with their obligations to Ascom. Such activities may include self-contracting or contracting with close relatives. In cases where such conflicts are likely, measures have to be taken to ensure that the employees have received suitable instructions and assistance from their line managers. Any accessory job or participation in a Board of Directors has to be expressly authorized by the line manager and the human resources department in charge.

Employees are allowed to be active in public organisations, associations, or charitable organisations, unless these activities are likely to negatively influence their performance. If this engagement is somehow connected with the activities of Ascom, the employee must obtain the prior approval of their line manager and the human resources department in charge.

## **2.10 we value the environment, health and industrial safety**

Ascom is committed that all its processes, products and services impact the environment as little as possible while still taking the legitimate needs of the company into account. The resources used for these processes, products and services must be conserved in the best way possible. Each and every employee shall work to achieve outstanding performance in this area at their workplace.

Ascom shall ensure that the working conditions in its companies throughout the world are secure and that they do not harm the health of employees. Each employee must give their constant attention to safety.

# **3 History**

This Code of Ethical Business Conduct has been approved by the Board of Directors of Ascom Holding AG on 7 December 2011 and is valid as of 15 February 2012.