



# **Code of Business Conduct**

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# Introduction

Ascom's image and reputation are very valuable assets, which are affected to a very large extent by the behaviour of each of us. Our business activities must be based on the highest ethical standards in order to meet the expectations of our customers and other stakeholders. Each of us must assure that Ascom meets its social responsibilities throughout the world.

These Business Conduct Guidelines apply to all Ascom employees throughout the world. All managers have to assure that these guidelines are implemented, communicated to employees and are practised as a matter of course. One of the purposes of these Guidelines is to help employees to better cope with the ethical and legal challenges which they are confronted to in their daily work.

# Scope and Principles

## Scope

The Ascom Business Conduct Guidelines are binding internal guidelines covering all business activities. They apply to the entire Ascom Group.

## Behaviour in compliance with the law

Every employee must comply with the statutory provisions of the legal system in which he or she acts (which take precedence over these internal conduct guidelines), and must under all circumstances avoid violations of the law. In the event of a violation, the employee must expect disciplinary consequences as a result of the violation of his/her duties, regardless of any sanctions provided for under the law.

## Mutual respect among employees and business partners

Honesty and integrity are the behaviour 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 – including the employees of suppliers and business partners – are treated fairly and that their individual dignity, privacy, and personal rights are respected. Any discrimination of employees based on their sex, race, physical impairments, origins, sexual preferences, or religion is prohibited. The company will not tolerate any sexual or other personal harassment. We are open and honest in our relationships with each other.

## Management, responsibility and supervision

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 manager is responsible for the employees that he or she supervises. He or she must earn the employees' respect through exemplary personal behaviour, solid performance, openness, honesty, and social skills. He or she supports the employee to grow in his/her 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.

## **Implementation**

It is the duty of each line manager in the Ascom Group to make certain that all employees are familiar with these Guidelines and that they comply with them. Managers who do not perform this duty must expect appropriate but strict disciplinary action.

The Ascom Executive Board shall not criticise management if contracts are lost as a consequence of compliance with the Guidelines. No employee must fear disadvantages if he/she informs the Executive Board or his/her line manager of a proven or suspected violation of the principles.

## **Observing the guidelines, complaints, reporting violations**

Every Ascom employee is responsible to assure that his/her behaviour and the behaviour of the employees that report to him fully comply with these guidelines. Violations of our Guidelines will result in appropriate but strict responses, up to and including termination of employment. Each and every employee can lodge a personal complaint to his/her supervisor, to the Human Resources director, or to another office specifically designated for this purpose, or he may draw attention to circumstances that indicate a violation of the Business Conduct Guidelines. The matter will be investigated thoroughly, and, if necessary, appropriate action will be taken.

# Conduct in relationships with business partners and third parties

## Compliance with anti-trust law

We are required to stick to the rules of fair competition. Ascom strictly complies with all applicable anti-trust and commercial laws and with corresponding laws on price-fixing. Any and all conversations with competitors and other activities; a) that affect prices, terms and conditions, b) that assign sales areas or customers to a single sales partner with absolute protection of sales areas, c) that restrict, exclude, or distort free and open competition in an illegal manner are strictly prohibited. Ascom uses all legally allowed means to obtain information about competitors, but it avoids any illegal, ethically repugnant activities or actions that could result in disadvantages or liability claims.

## Bribery

We compete for contracts on the basis of the quality and price of our innovative products and services. No employee may offer or grant unjustified advantages linked with the business activity, neither in the form of monetary payments nor in the form of other goods and services. All Ascom employees are also instructed to immediately reject active or passive attempts of bribery from persons outside Ascom. This requirement, however, does not include the acceptance of courtesy gifts of little value. Any other gifts must be rejected or returned strictly. Active or passive bribery will be strictly prosecuted and causes immediate and consequent disciplinary action.

Monetary payments, personal gifts and invitations must not be requested or accepted by Ascom employees unless, upon reasonable examination, it could be concluded that they do not influence any business transactions and are within the limits of socially acceptable hospitality.

## Donations and concessions

Concessions of any type granted by Ascom to political parties, committees, candidates, or holders of political office are only permitted if they comply with the applicable laws in the respective legal systems.

Monetary donations or donations in kind for education and science, art and culture, and for community purposes are occasionally granted by Ascom. As a general rule, however, donations are not given to individual persons and, above all, not to persons or organisations that might damage our reputation. The recipient of the donation and the specific purpose for which the donation will be used must always be known, and it must always be possible for us to justify the donation and its purpose.

## **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. In cases where such conflicts are likely, measure have to be taken to ensure that the employees have received suitable instructions and assistance from their supervisors. Any accessory job or participation in a Board of Directors has to be expressly authorized by the supervisor and the HR department in charge.

## **Public appearances**

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 his/her line manager and the HR department in charge. Companies within the Ascom Group are instructed to publicly represent their own legitimate business interests. They may either raise issues for public discussion directly or through their business organisations and may take positions on government activities or decisions. By working together with governments, authorities, organisations, and individual persons, they should contribute with their experience to develop legislation related to their interests.

# Handling information

## Protection of business property and trade secrets

Business property must be used only for business purposes. 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 the Group.

## Insider trading

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 his/her job within the Ascom Group. 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.

# Environment, Safety, and Health

## Environment and industrial safety

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

## Industrial safety

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 his/her constant attention to safety.

This Code of Business Conduct is valid as of 1 September 2003.

Approved by the Board of Directors on 28 August 2003

Juhani Anttila  
Chairman

Daniel Lack  
Secretary General