

Code of Conduct

Conrad Holdings

*Valid also for SOS electronic companies
that are being part of Conrad Group.*





More than ever, globally operating retailers like ourselves need to build their business on trust, in particular when taking into account the highly volatile nature of business relationships in the digital age. To achieve this, everyone at our company and all our business partners across the world need to share our company values, and need to actively contribute to bringing these values to life. The present Code of Conduct has been compiled to help us do just that, underpinning what our company has been standing for since our very first days in business.

Right from the start, my great-grandfather Max Conrad decided to supply capacitors and solenoids to people who wanted to assemble their own crystal radio sets. And in 1937, he presented the world's first ever self-assembly TV kit at the 1937 Berlin Broadcasting Exhibition, together with a textbook called "The A to Z of Television". Even back then, it was not just about being an electronics retailer: creating value for our customers has always been ingrained in our business philosophy.

However, talk is cheap. Walking the walk is much harder and requires making sure everyone's on the same page. This means seeing employees or customers as fellow human beings and not just as payroll or sales numbers. This means treating suppliers like business partners and not like a mere source of materials or parts. Means that people can relate to our company and core values. In short, it all comes down to fairness, transparency and mutual respect.

This is why we consider the present Code of Contact an essential tool that helps us make the right decisions at the right time, both in our day-to-day work and in difficult situations. Because it is our integrity, honesty and our commitment to best practices that gains us the trust and respect of co-workers and customers alike.

Yours faithfully,

A handwritten signature in black ink that reads "Werner Conrad". The signature is fluid and cursive.

Werner Conrad CEO

Substance

- 1. Legal Requirements and Ethical Principles**
- 2. Conflicts of Interest**
- 3. Fair Competition**
- 4. Privacy Policy and Data Protection**
- 5. Protection of Company Property and Assets**
- 6. Implementing the Code of Conduct**





1. Legal Requirements and Ethical Principles

Needless to say that our company fully complies with all current legal requirements. Moreover, we are strongly committed to conducting our business with the strictest ethical standards.

Hence we expect from anyone working at our company to universally respect and observe the ten principles outlined in the United Nations Global Compact, the United Nations Universal Declaration of Human Rights, and to support and enact the ILO Fundamental Principles and Rights at Work within their sphere of influence.

All employees must fully comply with the relevant law. Any infringement of the law constitutes a breach of the employment contract and may result in disciplinary action.



1.1 Interpersonal Relationships at the Workplace

We respect the dignity, privacy and individual freedoms of our fellow human beings. This applies to both our interaction with everyone at our company, and to our dealings with customers, suppliers and business partners. We make our decisions based on facts and evidence, and not based on personal preference, bias, or as a result of coercion. We conduct ourselves in an open and honest manner, and take responsibility. We only make promises we can keep. We promote a fair, positive and collegiate working environment characterised by politeness and mutual respect between all staff members and expect all our employees to act accordingly. Inappropriate behaviour by staff members may cause significant damage to our company.

1.2 Equal Opportunity

Based on our commitment to ethical business practices, we provide equality of opportunity and will not tolerate discrimination or abuse on grounds of race, nationality, gender, gender identity, colour, religion, marital status, sexual orientation, age, trade union activities, political beliefs, disability, illness, or any other grounds. We comply with the company policies, employment law and equal opportunity rights of each of the countries we operate in.

1.3 Child Labour

We do not accept child labour. As a rule, we do not employ individuals under the age of 15, or individuals below the legal age of employment stipulated by the country we operate in if the minimum age in this particular country is above 15 (ILO Convention 138). We have put measures in place to prevent any form of child labour at our company, and expect all our suppliers and business partners to fully comply with child labour law.

1.4 Forced Labour

We do not use forced, compulsory or bonded labour (ILO Conventions 29 and 105), and have put measures in place to prevent any forms of forced labour at our company. Moreover, we expect all our suppliers and business partners to respect an individual's right from freedom of slavery and forced labour.

1.5 Working Time Regulations

We comply with all national working time regulations.

1.6 Occupational Health & Safety

Conrad promotes a healthy working environment, safe working practices and adequate work place welfare. In this context, we also ensure that we fully meet all occupational health and safety regulations that apply in each of the countries we operate in.

1.7 Environmental Protection

As a retailing company we take the protection of the environment and natural resources very seriously. We fully comply with all current environmental legislation and have put procedures in place to identify and minimise any environmental hazards. If we use natural resources we do so in a responsible and sustainable manner, and promote the use of recycled materials to minimise waste, and to lower the environmental impact of our business operations. Moreover, developing products sold under our company's own brand names also prioritises eco-friendly design, user safety, and compliance with the law. We expect all company employees to actively contribute to help us achieve these objectives.



2. Conflicts of Interest

Keeping our professional role and private life separate may sometimes be challenging. However, any business decisions we make must be for the benefit of our company, and not for personal gain.

Conflicts of interest arise if employees enter into business activities on their own account, or seek personal gain, at the expense of our company's vested interests.

Employees must disclose any activity that may give rise to a real, apparent or potential conflict of interest to their manager.



2.1 Secondary Employment

Secondary employment including side jobs may give rise to a conflict of interest between an employee of our company and our company, suppliers and business partners. This is why taking up secondary employment requires Conrad's prior written consent. Moreover, any secondary employment or side job with one of our competitors will be deemed as a conflict of interest. Employees must notify their manager prior to taking up paid secondary employment. Consent may be withheld if the secondary employment harms the vested interests of Conrad. Consent may also be withheld if the employee has dealings with the secondary employer as part of his professional role at our company. Also, any previously given consent may be revoked on above grounds at any time.

2.2 Third-Party Stakes

Employees that are direct or indirect stakeholders of businesses owned by one of Conrad's competitors must disclose their involvement to both their manager and Human Resources if their share exceeds five percent (5%) of the competitor's total assets. Employees who are, or intend to become, direct or indirect stakeholders in businesses operated by one of our company's customers, suppliers, business partners, or by a company partly-owned by Conrad, are also required to disclose this to both their manager and Human Resources if they interact with the respective business as part of their professional role at our company. Employees owning shares in publicly listed companies need to notify their manager/Human Resources only if they hold more than five percent (5%) of the listed company's total assets. In any of the above cases, Conrad may put appropriate measures in place to remove a potential conflict of interest.

2.3 Using Conrad Business Partners for Private Business

Conrad employees engaging in business activities outside the company with one of our suppliers or business partners may give rise to a conflict of interest between Conrad and its employees, customers, suppliers and business partners. Employees interacting with one of our business partners in a private capacity must notify both their manager and Conrad Compliance.



3. Fair Competition

Fair competition is the backbone of a healthy and sustainable market development.

This is why we comply with the law, and with all existing competition regulations and anti-trust compliance programs. This also applies to us competing for market shares. We will not tolerate any dishonest

trade practices including any agreements with suppliers, business partners, competitors or any third party aimed at gaining an unfair advantage over our partners or direct competitors.



3.1 Bribery

Paying and receiving bribes for personal gain, both material or immaterial, constitutes a gross abuse of a position of trust held within a company or organisation.

Our customers make their purchase decisions based on our pricing policies, the range of services we provide, and on the quality of the products we offer. We do not tolerate any form of bribes offered, accepted, promised, given, requested, agreed, or received when it comes to our dealings with business partners, organisations, public institutions or any third party.

We will not tolerate any form of bribery in order to influence decisions made by public officials, or to gain any sort of unfair advantage. This also applies to decision makers in private sector industries. Any offers and remuneration - monetary, non-monetary and otherwise - must fully comply with the law, and must be above suspicion of any impropriety. This means that no offer, promise, favour or gift must be deemed by its recipient as a means to influence a decision in order to gain a personal advantage, or an advantage for our company. The term recipient shall refer to any individual holding a public office, government and community officials, civil servants and employees of public institutions or organisation, both home and abroad, also including politicians, delegates, members and officers of a political party, and election candidates.

3.2 Giveaways & Occasional Gifts

Conrad employees must not use their position at our company for personal gain. Accepting or offering for personal use any form of gift or money in conjunction with an employee's role at our company will not be tolerated. However, employees may accept occasional gifts of symbolic value, gifts intended for all employees, as well as invitations for meals or events, if kept within locally appropriate limits. Any gifts and invitations that go beyond local practice must be declined.

Conrad employees may accept giveaways and occasional gifts, if the item value does not exceed €15. Gift items with a nominal value of more than €15 must be handed over to Conrad Compliance. This limit applies to all our European operations. Individual limits apply for countries outside Europe, set in accordance with local legislation and each country's Best Practice business standards.

Any offer involving money, or money equivalents (such as vouchers), gifts for/ paying for expenses/ refunding expenses of a person accompanying the employee must be declined by referring to the present code of conduct, and reported to Conrad Compliance.

3.3 Invitations

Employees may accept invitations to a meal or entertainment, such as concerts, trade fairs, or sport events, however, strictly within the appropriate limits. In this context, appropriate limits means that the invitation has to be issued voluntarily, and must serve a business purpose. On the other hand, accepting invitations on a regular basis without a clear business reason, or accepting invitations prior to an important business decision (e.g. a contract to be awarded, or high volume orders to be placed) would be utterly inappropriate.

Employees must not accept offers of payment or reimbursement of attendance fees, or travel and accommodation expenses made by our business partners, organisations, public institutions or any third party. As a rule, our company does not refund above expenditure, unless incurred as part of official company business. Exceptions are subject to case-by-case assessment, and need to be part of a contractual framework (e.g. staff training programmes etc.).

3.4 Backhanders

The term backhanders (aka brown envelopes, palm grease) refers to payments made to encourage, secure, facilitate, or expedite services provided by another party. We will not tolerate paying or accepting backhanders at our company.

3.5 Kickbacks, Discounts & Commission

Kickback is a method of bribery that involves deliberately invoicing an amount that exceeds the actual value of the services rendered, with the difference being used to offer discounts, commission payments or other forms of payoffs to companies or private individuals. All discounts, commissions, or comparable payments offered or made by our company are agreed upon in an open, transparent and accountable manner. We will not tolerate paying or accepting kickbacks and payments made or accepted for a comparable purpose (discounts, commission) at our company.

3.6 Donations & Sponsoring

Making a donation and sponsoring a cause may involve monetary and non-monetary contributions, however, does not lead to any personal gain of the donor/sponsor. As a company, we take our social responsibility seriously, donating both money and equipment to projects across the education, science, sports and arts sector. We also support a range of humanitarian aid charities. All our donations and contributions are made in an open, transparent and accountable manner. We will not tolerate donation-type payments made in exchange for delivering a service that by far exceed the actual value of the service. Nor do we tolerate sham donations solely intended to conceal acts of bribery, corruption or any other form of inappropriate payoff.

3.7 Payments

Making payments that are not related to a clear business objective, and cannot be directly linked to a service provided or item dispatched is prohibited. All our company's financial transfers are carried out in a transparent and accountable manner.

3.8 Anti-trust and Competition Law

When it comes to price fixing, price manipulation or market manipulation in any way, shape or form, our company operates a zero-tolerance policy. This also applies to the exchange of sensitive information related to our competitors, and to any activities limiting or intending to limit competition. In this context,

Conrad employees must not:

- disclose any information relating to our company's pricing policy, production volumes and capacities, sales, tenders, revenue, profit margins, costs, logistics, or any other factors shaping our company's competitive strategy, to our competitors;
- enter into any agreement with our competitors with regard to limiting business relationships with suppliers, making sham offers in tenders, and customer targeting, as well as to dividing up market shares, sales regions, or product ranges.
- influence Conrad re-seller pricing policies in any way.

3.9 International Law

Any violation of the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act will be prosecuted with the full force of the law. Both acts incorporate a significant extra-territory reach (i.e. apply to countries other than the USA and the UK, respectively).

3.10 Supplier Relations

We expect our suppliers to agree to the policies set out in the present Code of Conduct, and to fully comply with the law. This includes

- conforming with all relevant legislation,
- fighting corruption at the workplace,
- respecting the human rights of their employees,
- complying with child labour law,
- ensuring staff occupational health and safety,
- observing the national minimum wage rates and agency worker's rights,
- conforming with all relevant national and international environmental protection standards and
- ensuring that the present policies are also implemented/agreed to by members of their own supply chain.



4. Privacy Policy and Data Protection

Data safety and protection are paramount to us.

This is why we fully comply with all current legal requirements, and are committed to preventing unauthorised/unlawful processing of personal information and

respect and protect the right to privacy of our employees, customers, suppliers and business partners.



4.1 Data Safety

Keeping information safe at all times is one of the key factors when it comes to the success of our business operation and the reputation of our company. We are committed to protect any type of sensitive information including any data related to our organisation and operations, our employees, customers, suppliers and business partners against unauthorised access, use or damage. In order to do so, we have taken suitable organisational and technical measures. We comply with all relevant national and European data protection regulations, and with our company's own corporate data privacy and data protection policy.

4.2 Data Protection

We know how important the appropriate use of their personal information is to our employees, customers, suppliers and business partners. We only collect, process and use personal information for specified, limited and lawful purposes. Stored personal information is kept safe at all times. Data transfers are carried out in compliance with all legal requirements and utilise the appropriate safeguards. When it comes to data integrity and protection against unauthorised access, we impose and adhere to rigorous standards. We advocate a transparency policy with respect to how our company uses personal information, with an individual's rights being protected in compliance with the GDPR.

4.3 Confidentiality

In order to protect our business operations, as a rule, confidentiality is an integral part of our modus operandi. This also applies to any sensitive information, and includes protecting company documents from being accessed by any party not authorised to do so. Non-disclosure agreements remain effective after the termination of employment contracts.



5. Protection of Company Property and Assets

Our company's material and immaterial assets including are resources needed to achieve our business goals.

Company property must only be used for company business, and within the framework of our company's policies.



5.1 Company Assets

The private use of company property, including equipment, raw materials, feedstock, services, and company premises without explicit permission is prohibited. Protecting company assets against abuse or unauthorised is one of our key policies. Unless required to carry out an assigned task, recording, creating or replicating any film, image or audio material by employees is subject to their manager's consent. Employees must not view or share content that is defamatory, libellous, obscene, racist, abusive, threatening, illegal or in any other way offensive to parties sharing a given cultural or ethnical background.

5.2 Commodities

As a retailing company, protecting our commodities is an essential part of our business operations. Removal or theft of goods causes serious damage to our employees, customers, suppliers and business partners. Any form of commodity theft constitutes a breach of trust with regard to our company's entire supply chain. Perpetrators will be held to account and prosecuted using the full force of the law.

5.3 Confidential Business Information

Confidential business information, also known as trade secrets, provide Conrad with a competitive edge. This does not only involve information explicitly marked as classified but refers to basically every non-public source of information held by our company, such as lists of customers and suppliers, business opportunities and Conrad product details. We keep confidential business information in a safe and secure place, and protect it against any unauthorised use. We have put appropriate administrative measures in place to grant our employees access to this information when needed, preventing that sensitive data are shared with any unauthorised parties. Moreover, any sensitive business information or trade secrets shared with us will be kept confidential at all times.

5.4 Intellectual Property

Intellectual property of our company, customers, suppliers and business partners is one of our major assets that we are protecting against unauthorised use. This first and foremost applies to any copyrighted and patented material, trademarks and logos which also includes all underlying knowledge.



6. Implementing the Code of Conduct

"Zero Breach" reflects our compliance principle. According to this principle, it is our declared goal not to tolerate any violations of the Code of Conduct.



6.1 Responsibilities of Managers

Integrity starts at the top, namely at the management level. We expect all our managers and supervisors to lead by example, taking the responsibilities that come with their role at our company seriously. Managers are responsible for the employees they supervise. Managers gain the respect of employees by demonstrating professional attitude, diligence, openness and interpersonal skills. This also means that managers must illustrate and promote the importance of ethical standards and compliance with the law through their own actions during day-to-day business operations. Moreover, managers must be approachable whenever employees are unsure about legal requirements, have work-related questions, want to raise a grievance, or if they have personal issues. However, manager responsibilities do not release employees from their contractual obligations.

The following four key responsibilities illustrate what employees can expect from someone in a managerial role at our company.

- Managers must assign tasks to employees that have been chosen based on their skills and qualification. More complex tasks require a more diligent selection process (selection duty).
- Managers must explain the task in a clear, firm and comprehensive manner, pointing out the relevant legal requirements if applicable (instruction duty).
- Managers must make sure that employees comply with the law at all times (supervision duty).
- Managers must communicate the importance of integrity and compliance with the law in a clear and comprehensible manner, stressing that infringements will not be tolerated and may result in disciplinary action being taken (communication duty).

Managers must ensure that all employees are aware of our company's Code of Conduct and conform with these guidelines. Employees unsure of how to implement the Code of Conduct may contact their manager, Conrad Compliance or Human Resources at any time.

6.2 Reporting Violations

Employees may report any transgression either to their supervisor, to Conrad Compliance, or to one of the company's workforce representatives. Employees may report a suspected violation of the Code of Conduct, or a suspected law infringement:

- by using our company's anonymous online reporting system at www.conrad.de,
- by sending an email to hinweis@conrad.de or
- by sending a letter to Hinweisgeberstelle, Klaus Conrad Strasse 1, 92242 Hirschau, Germany.

Reports can be submitted either confidentially, or anonymously. We will look into each claim, and, if necessary, will take appropriate action. Documents will be kept confidential as required by law. We will not tolerate reprisals in any shape or form against employees who have made a claim. Anyone accused of a violation shall be presumed innocent until proven guilty.

6.3 Sanctions

If confirmed, we will respond to each infraction in a proportional and comprehensible manner. Sanctions may include disciplinary procedures, a termination of employment contracts, and prosecution or civil proceedings.

6.4 Assessment and Improvement

Conrad Compliance will assess the present Code of Conduct on an annual basis, and, after consulting each company department, make the necessary amendments to continually improve these guidelines. Conrad General Management shall take active measures to implement and communicate the latest version of Code of Conduct across the entire company, and shall make sure that all members of Conrad Holdings both adhere to the Code and comply with the law.



Werner Conrad - CEO



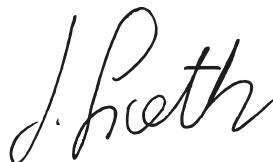
Virpy Richter - CFO



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