

# CODE OF CONDUCT

for all associated companies of  
Verband der Elektrotechnik  
Elektronik Informationstechnik e.V.



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Elektronik Informationstechnik e. V.  
(together called 'VDE')

## FOREWORD FROM THE MANAGEMENT BOARD

The reputation of our association and of the entire VDE Group as well as the confidence of our business partners, members of staff and the general public all depend on the specific conduct of all VDE personnel. It is up to every individual to play a part in ensuring that the positive expectations associated with the VDE name are met. Our Code of Conduct is therefore a binding set of guidelines intended to provide a reliable source of help in day-to-day dealings, laying down the legal and ethical demands made of all VDE personnel.

The following rules apply to all of us. The Management Board of VDE e.V. abides by these principles in exactly the same way expected of all other VDE personnel. We are confident that our trust in you will help to assist you in the implementation of these guidelines.

We should like to thank you for your support and contribution towards VDE's long-term success.



*Dr. Hans Heinz Zimmer*



*Prof. Dr. Helmut Klausling*

# TABLE OF CONTENTS

- 1. Scope of application . . . . . 5
- 2. Vision and mission statement . . . . . 5
- 3. Compliance with the law . . . . . 5
- 4. Fair competition / ban on cartels . . . . . 6
- 5. Anti-corruption . . . . . 6
  - 5.1 Demanding, obtaining of promises and acceptance of advantages . . . . . 6
  - 5.2 Offering, providing and holding out the prospect of advantages . . . . . 7
  - 5.3 Business lunches and dinners . . . . . 7
  - 5.4 Business dealings with family members . . . . . 7
  - 5.5 Public officials . . . . . 7
  - 5.6 Donations and sponsorship . . . . . 8
- 6. Equal opportunities and ban on discrimination . . . . . 8
- 7. Data protection . . . . . 8
- 8. Avoidance of conflicts of interest . . . . . 8
- 9. Public appearances . . . . . 8
- 10. Safeguarding of assets and duty of confidentiality . . . . . 8
- 11. Acquisition of shares and prohibition on insider trading . . . . . 9
- 12. Proper bookkeeping principles . . . . . 9
- 13. Compliance Management System . . . . . 10
  - 13.1 Compliance Organisation . . . . . 10
  - 13.2 Advice, reporting compliance incidents . . . . . 10
  - 13.3 Consequences of misconduct . . . . . 10

## 1. SCOPE OF APPLICATION

This Code of Conduct applies to VDE Verband der Elektrotechnik Elektronik Informationstechnik e. V. (hereinafter 'VDE e.V.') and its associated companies within the meaning of §§ 15 et seq. AktG [German Law on Public Companies] (hereinafter together with VDE e.V. called 'VDE'). It applies worldwide to all staff of VDE, including management boards, directors and executives (hereinafter 'VDE staff'<sup>1</sup>). However, the Code of Conduct also applies to all members of VDE's executive bodies and everyone sitting on VDE's committees and participating in other meetings and activities, even if there is no service or employment contract with VDE in existence. It also applies to any experts used in standardisation procedures and in technical and scientific work.

## 2. VISION AND MISSION STATEMENT

Security, quality, sustainability, corporate responsibility and the promotion of science and education are the aims pursued and implemented by VDE, both in Germany and worldwide.

As a leading platform in electrical engineering, electronics and information technology VDE combines science, commerce and policy in its promotion of future technologies and innovation. Exchanging knowledge, education, standardisation and testing at the very highest level all lead to efficient and secure applications safeguarding human living standards and quality of life.

VDE is constantly endeavouring to provide top quality and largely satisfy the demands of both the market and public in general whilst fulfilling its responsibility for accident / consumer protection.

In doing so, VDE wishes to meet the needs of today's generation without jeopardising the opportunities available to future generations.

The continuing improvement of quality, environmental and health and safety performance, the prevention of environmental pollution and adherence to legal obligations, together with other requirements, are matters of self-evidence to VDE. They include such fundamental principles as the safeguarding of human rights and the protection of jobs and the environment.

VDE makes every effort to ensure the safety of all jobs within the group and to protect VDE staff from risks. Occupational safety, health care and the protection of health are integral features of company policy and constantly subject to improvements.

The chief criteria when selecting suppliers, service providers and other third parties are their performance and quality awareness. VDE expects even its suppliers, service providers and other third parties to apply the same high standards as those enshrined in this Code of Conduct.

VDE consequently implements such fundamental values as human rights, employment standards, environmental protection and the combating of corruption within its sphere of influence.

## 3. COMPLIANCE WITH THE LAW

VDE and VDE staff set a high standard of integrity in their dealings.

VDE and VDE staff are obliged to observe relevant legislation. This includes, along with anti-trust and competition law, rules addressing bribery, illegal money transfers and corruption as well as relevant provisions governing protection of employment and data, plus environmental rules.

The principle of compliance with the law expressly applies even if VDE would sustain a supposed advantage as a result of breaches of legislation.

<sup>1</sup> For simplification purposes the feminine form will not also be used. VDE would therefore point out that the express use of the male gender is to be explicitly understood as non-gender specific

## 4. FAIR COMPETITION / BAN ON CARTELS

The relevant provisions governing fair competition must be observed, as must the rules of anti-trust and competition law.

VDE and VDE staff are obliged to observe the rules of fair competition and must not take any measures aimed at unlawfully restricting competition and/or which infringe the statutory rules. VDE does not therefore tolerate any infringement of provisions of anti-trust law in the course of committee procedure or at other meetings within VDE.

The basic principle is that all arrangements between competitors and decisions by associations of undertakings the aim or outcome of which is the prevention of competition are prohibited. The term 'arrangements' encompasses both formal agreements and decisions as well as concerted practices that tacitly arise.

The following are prohibited, in particular:

- arrangements with competitors concerning prices and/or capacity
- agreements not to compete
- the submission of sham bids
- the allocation of customers, territories, production programmes or according to other segmentation criteria
- agreements on terms and conditions of sale

When making any utterances (whether of a verbal or written nature) care must be taken to ensure that they cannot be misunderstood and therefore give the impression of something unlawful under anti-trust law.

## 5. ANTI-CORRUPTION

VDE and VDE staff do not tolerate immoral trade practices and abhors any form of corruption, bribery and dishonest taking of advantage. Corruption means the exploitation of a position to obtain an unjustified advantage. Generally speaking, such an advantage will be gained in the course of a transactional relationship (active and passive corruption). The term 'advantage' includes anything that might in some way improve the position of the recipient or a third party but to which it is not entitled. This means that advantages are not merely monetary but can also be any material or immaterial benefit.

This prohibition applies to all countries where VDE operates, even if corrupt behaviour should be customary in those countries or not considered by business partners to be unethical or reprehensible.

### 5.1 Demanding, obtaining of promises and acceptance of advantages

When purchasing stock, materials, services or other performance from a third party, care must be taken to ensure that the procurement process focusses exclusively on quality, performance and cost.

The demanding, obtaining of promises and acceptance of benefits and advantages of any kind for the personal benefit of VDE staff or a third party, particularly customers, suppliers and service providers or interested standardisation or other professional circles, are all prohibited.

The acceptance of monetary gifts is prohibited. Gifts in kind may only be accepted with the following provisos. These provisos apply in the case of customary gifts for a specific occasion and/or advertising gifts of reasonable value and gifts in kind that correspond to normal practice or custom. Gifts in kind should not have a value in excess of 50 euros and must not be accepted as counter-consideration for preferential treatment or for the avoidance of legislative provisions. Gifts in kind also extend to other favours, especially invitations to non-business events (concerts, theatrical performances, sporting events and miscellaneous evening events or trips), the rendering of services, business courtesies, commission payments or other favours. When receiving products or services in the private sector the normal market price must be paid and the payment documented.

These provisions on the acceptance of monetary gifts and gifts in kind must not be circumvented by using third parties or by taking any other measures (e.g. organising a company gathering).

In the event of doubt the advice or consent of a disciplinary superior officer or of the Legal Department must be obtained.

## **5.2 Offering, providing and holding out the prospect of advantages**

Care must be taken to ensure that VDE is not given priority in the facilitation, placing or handling of an order as a result of offering, holding out the prospect of or providing personal benefits (gifts, invitations, hospitality, sundry favours). VDE staff are forbidden, in particular, to offer or provide personal benefits to officials and decision-makers, customers, potential customers, suppliers or competitors.

Gifts, invitations or sundry favours may not be granted to third parties unless all of the following criteria are met:

- they reflect normal practice or custom and courtesy;
- they are not granted or accepted as counter-consideration for preferential treatment or for the avoidance of legislative provisions;
- the gift to a third party is of a sufficiently limited value (courtesy gifts and normal advertising gifts);
- they do not constitute an infringement of the law and are not contrary to the recipient's compliance rules;
- awareness of the benefits, including the identity of the recipient, would not cause embarrassment to either VDE or the recipient.

The grant of benefits that fail to meet these criteria is not permitted.

These provisions on the offering and granting of benefits must not be circumvented by using third parties or by taking any other measures. In the event of doubt reference must be made to a disciplinary superior officer or the Legal Department.

## **5.3 Business lunches and dinners**

Invitations to business lunches and dinners and the acceptance of same form part of everyday business practice; VDE considers them to be permissible in principle as long as they are reasonable. This does not apply if they are extended or accepted as counter-consideration for preferential treatment or for the avoidance of legislative provisions. The provisions of paragraph 5.2 also apply accordingly.

## **5.4 Business dealings with family members**

Contractual links with family members (spouses, parents, children and other relatives – including life partners) are not permitted, in principle, as business such as this can entail a latent risk of a conflict of interests and might therefore prejudice the neutrality required of a procurement process.

Exceptions to this principle are only possible if they are granted by the management of the VDE company in question or by a competent committee.

## **5.5 Public officials**

Benefits to public officials are a particularly sensitive issue and must not be granted in connection with the performance of a service. In the event of doubt the consent or approval of a superior must be requested in accordance with § 331(3) of the Strafgesetzbuch (German Criminal Code, 'StGB').

## **5.6 Donations and sponsorship**

Donations and sponsorship, especially for cultural, sporting or other social concerns, may only be extended with the prior written consent of the Management Board of VDE e.V.

## **6. EQUAL OPPORTUNITIES AND BAN ON DISCRIMINATION**

Nobody may be harassed, discriminated against or prejudiced on grounds of nationality, ethnic origin, gender, religion or belief, disability, age or sexual identity. These principles also apply to foreign VDE companies.

## **7. DATA PROTECTION**

Any kind of processing of personal data must be done in accordance with relevant data protection laws and the VDE principles stated in paragraph 2.

## **8. AVOIDANCE OF CONFLICTS OF INTEREST**

VDE sets great store by ensuring that no conflicts of interest arise. Conflicts of interest can cast doubt on VDE's integrity and professionalism. Conflicts of interest must therefore be pinpointed and avoided early on.

For this reason VDE staff are especially forbidden to carry out work for third parties during the term of their employment which might jeopardise the impartiality of their work for VDE or contravene the corporate philosophy stated in paragraph 2.

## **9. PUBLIC APPEARANCES**

VDE staff must ensure that VDE's reputation is not harmed by their conduct.

## **10. SAFEGUARDING OF ASSETS AND DUTY OF CONFIDENTIALITY**

Both VDE and all VDE staff are responsible for ensuring that tangible and intangible assets belonging to VDE and its clientele are properly used, looked after and protected. Their use for personal purposes without the consent of the owner is prohibited.

Trade and business secrets as well as confidential information are important assets belonging to VDE, its clientele and principals. It is therefore essential that trade and business secrets be kept confidential. VDE staff are also required, in particular, not to disclose information that is expressly termed confidential or the confidentiality of which is ascertainable.



Patents, inventions and other technical and scientific know-how belonging to VDE or third parties who make it accessible to VDE are all of particular significance. This intellectual property must not be passed on to unauthorised third parties or used for an individual's own business purposes. This intellectual property in the form of sketches, drawings, data media or documentation must be protected from unauthorised third-party access.

This duty of confidentiality applies even after VDE staff have left their employment.

The above duty of care is also addressed to people sitting on committees and attending other VDE meetings, especially in the course of standardisation procedures and technical and scientific work.

## **11. ACQUISITION OF SHARES AND PROHIBITION ON INSIDER TRADING**

VDE and all VDE staff are naturally, in principle, allowed to trade in securities on international exchanges and optimise return on capital. However, these freedoms are restricted by law if so-called insider information is used for such dealings.

Insider information is specific information on circumstances that are not public knowledge, which relate to an issuer of insider documents or to insider documents themselves and are liable to materially influence the stock exchange or market price of insider documents on becoming public knowledge. This is the case where a knowledgeable investor would take account of the information when deciding to invest.

The word 'circumstances' means those matters where it can be assumed with sufficient probability that they will occur in the future. This insider information must not even be passed on to third parties to enable them to make the acquisition.

Insider information might relate, for example, to:

- new product developments and patents
- sales and profit forecasts
- operational changes
- the sale or purchase of major assets
- takeovers and mergers

The ban on insider dealing applies to trading in securities of any quoted company, including customers and suppliers of VDE, if VDE staff hold important undisclosed information about that company, including information that such VDE staff have obtained in the course of their employment or work at VDE.

## **12. PROPER BOOKKEEPING PRINCIPLES**

VDE is obliged to keep books and records that provide a clear and correct picture of its business and financial position. The following is assured in this respect:

- no secret or unrecorded credit balances or assets are established for any purpose whatsoever;
- no faked or fictitious entries are made in VDE's books in any circumstances whatsoever;
- no payment is approved or made where there is an intention or assumption that the payment is to be wholly or partly used for purposes other than stated.

## **13. COMPLIANCE MANAGEMENT SYSTEM**

### **13.1 Compliance organisation**

VDE has made provision for the following compliance structure:

- Compliance Committee
- Internal Compliance Officer
- External Compliance Officer, Ombudsman

The Compliance Committee consists of at least three members and meets at least once a quarter. The Compliance Committee has responsibility for the overall monitoring of the Compliance Management System in addition to the Compliance Officer. Its supervision also extends to checking business procedures for possible compliance risks and dealing with compliance incidents in consultation with senior management.

The Internal Compliance Officer is responsible for the Compliance Management System, advises on compliance issues and acts as contact point for potential compliance infringements.

The External Compliance Officer is an external lawyer acting as corporate counsel bound by his professional duty of confidentiality. In addition to the duties of Internal Compliance Officer he acts as ombudsman and contact point for potential compliance infringements (on a confidential basis, if requested).

Members of the Compliance Committee and the Internal and External Compliance Officers are appointed by the Management Board of VDE e.V. The relevant contact data is to be found on the Internet and Intranet.

### **13.2 Advice, reporting compliance incidents**

All VDE staff, business partners and other third parties may contact the Compliance Officers or ombudsman at any time if they should be uncertain about the correct way to proceed. Of course, your superiors, directors and also the Management Board of VDE e.V. are available to be contacted.

All VDE staff and business partners may also turn to these people to inform them of suspected misconduct.

### **13.3 Consequences of misconduct**

VDE and VDE staff make all appropriate and reasonable efforts to constantly implement and apply the values and principles enshrined in this Code of Conduct. Breach of the Code of Conduct can result in employment-law and civil-law measures being taken which could even lead to claims in damages or criminal action by the authorities.

This Code of Conduct enters into force on July 1, 2014.



**VDE**

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