



**Leica Camera AG**

**Code of Conduct**

**February 2017**

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## 1. Foreword

Leica is “High-tech made in Germany” at its best. To the same extent we are uncompromising with respect to the quality of our products, we are also uncompromising with respect to our ethical behavior. Observing the law and the legal system in every country where we do business is a fundamental principle for Leica Camera AG, its subsidiaries and affiliated companies (together “**Leica**” or “**Company**”).

All Employees must obey the laws and regulations of the legal systems within which they are operating in addition to applicable Leica policies. This Code of Conduct provides the ethical and legal framework for our business activities. It contains the basic principles for our conduct within our Company, vis-à-vis our external partners and in relation to the general public.

This Code of Conduct applies to Leica, as well as to our Employees worldwide. It provides some basic principles which form a framework for orientation, not a detailed set of instructions on how to act, for everyone at Leica.

All Employees are obliged to know the relevant laws and regulations, including this Code of Conduct and the supplemental guidelines and policies. All managers are accountable to ensure appropriate communication, and to oversee compliance.

In all business situations where the requirements of the law or this Code of Conduct appear incomplete or unclear, Employees shall use good judgment and common sense and seek advice from his or her superior in the respective company, the Local Management or the Compliance Office.

As a further help to our Employees, the Code of Conduct is supplemented by more specific guidelines, such as

- Anti-Corruption Guideline
- Sponsorship and Donations Policy
- Antitrust Guideline

All Employees are expected to adhere to this Code of Conduct and the supplemental guidelines and policies, in both, the letter and the spirit. Violations of this Code of Conduct or any of the supplemental guidelines and policies will not be tolerated.

The Code of Conduct and the above mentioned guidelines and policies are handed out to every Employee and may also be obtained from the Compliance Office upon demand. Moreover, compliance relevant documentation can be found on Leicapedia and the Company's website.

Wetzlar (Germany), February 2017

Leica Camera AG



Oliver Kaltner

CEO



Ruud Peters

CFO



Markus Limberger

COO

## **2. Management, Responsibility and Supervision**

All managers must fulfill their duties of organization and supervision. Delegation to Employees does not relieve managers of their overall responsibility. Likewise, the overall responsibility of the management does not relieve Employees of their own responsibilities.

It is the responsibility of all managers to ensure that there are no violations of laws within their area of responsibility that proper supervision could have prevented. Managers must carefully select Employees based on their personal and professional qualifications and suitability. They must give precise, complete and binding instructions to Employees and they must ensure that compliance with the law is continuously monitored.

## **3. Free and Unrestricted Competition**

**The Company is unreservedly committed to the principle of free and unrestricted competition. Every Employee is obliged to abide to the competition law rules.**

Antitrust evaluation can often be difficult, particularly because the rules can differ from country to country and from case to case. Anti-competitive practices that are illegal include: joint price-fixing with competitors, agreements on market shares, agreements on production capacities, market divisions, customer divisions and agreements to dictate or control a customer's resale price. Any kind of concerted actions, informal talks or "gentlemen's agreements" that are intended to restrict competition or may have the effect of doing so, are prohibited. Consult with the Compliance Office for help, if you have a question concerning any particular activity or practice.

Thus, Employees must not

- talk to competitors about prices, output, capacities, sales, bids, profits, profit margins, costs, methods of distribution or any other parameter that determines or influences the Company's competitive behavior with the aim to solicit parallel behavior from the competitor;
- enter into an agreement, including informal agreements, with a competitor not to compete, to restrict dealings with suppliers, to submit bogus offers and/or to coordinate offers for bidding or to divide up customers, market, territories or production programs;
- undertake informal discussions and unwritten gentlemen's agreements in relation to behavior that could have an impact on competition;
- influence the resale prices charged by our customer in any way.

For further details, please note the Leica Antitrust Guideline.

#### **4. Anti-Corruption**

**Leica expects all its Employees and business partners to refrain from any form of corruption in any country. The Company will take appropriate measures against those violating this obligation.**

The offering or granting of improper Benefits (active corruption) and demanding or accepting of improper Benefits (passive corruption) is prohibited. The general prohibition of corruption applies vis-à-vis domestic and foreign Public Officials as well as private commercial counterparties in a business transaction.

Leica will not tolerate Employees who are involved in cases of active or passive bribery. Any Employee who notices such actions is expected to help document and uncover the circumstances immediately and with full cooperation. The direct superior shall be informed at once and the direct superior shall report such violation without delay to the CFO. The CFO shall notify any such violation without delay to the Compliance Office.

For further details please note the Leica Anti-Corruption Guideline and the Sponsorship and Donations Policy.

#### **5. Conflict of Interests**

**All Employees have to avoid conflicts of interests between their private or personal interests and the interests of the Company. The interests of the Company shall always prevail.**

In order to avoid possible conflicts of interests, the Employees have the duty to separate their private interests from those of the Company. Personnel decisions must not be influenced by private interests or personal relationships (direct or indirect or through Related Parties). Potential conflicts of interest shall be disclosed at once to the direct superior or the Compliance Office.

No Employee may make use of Company property (such as equipment, goods, vehicles, office supplies, documents, files, data storage media) or avail him/herself of the services of Employees for private purposes without the express permission of his/her supervisor.

Any Employee intending to accept outside employment even on a freelance basis, or to set up his or her own business, must inform his/her superior and obtain written approval.

Even the impression of preferred treatment in business transactions with competitors, suppliers, service providers and other business partners based on personal closeness to the Employees may harm the Company and must therefore be avoided.

#### **6. Fair Working Conditions**

Leica is committed to fair employment practices and to following the applicable labor and employment laws. Leica is determined not to tolerate any discrimination, harassment or offence.

#### **7. Health and Safety**

Health and Safety is an integral part of all our business activities. It is the responsibility and duty of each and every Employee to take care of Health and Safety measures, to follow all

relevant rules, regulations and work instructions and to use appropriate personal protective equipment as required by applicable law.

## **8. Environmental Protection**

The Company complies with all applicable environmental laws, standards and requirements and takes a proactive and long-term view on environmental matters to prevent pollution and continuously improve environmental performance.

Environment protection and product safety is of great importance, not only for the Company's reputation but also for our customer's safety and future generations.

## **9. Confidentiality**

**Confidential information of the Company has to be protected. All documents and all other information on the Company's internal operations have to be treated confidentially.**

Confidential information includes all non-public strategic, financial, and technical or business information, as well as all business and trade secrets of the Company's business partners. It is not allowed to talk to Third Parties about ongoing or future events, projects, technical details or other confidential information or grant them access to those information in any other way. It is not allowed to circulate trade or company secrets of business partners of the Company.

We herewith alert all Employees that confidentiality may also be injured by accident and we advise all Employees to handle confidential information, in particular in public places, such as trains, buses, planes etc. with special care.

All outsiders who receive confidential information will be required to sign a non-disclosure agreement.

## **10. Data Protection**

There are special statutory rules to protect privacy when dealing with personal data. Collecting, storing, processing and other use of personal data essentially require the consent of the person concerned or a legal basis. We use technical and organizational measures to protect all Employees' and customers' personal data in our possession from manipulation, loss, destruction and access by unauthorized persons.

## **11. IT-Security**

All Employees who use IT-systems shall pay particular attention to IT-aspects of confidentiality such as data protection and data security. All documentation and (electronic) data carriers must be locked securely away. This particularly applies to sensitive data concerning Employees and to confidential business information.

Computers must be protected from unauthorized access by necessary measures (e.g. changes of password). Transcripts or copies of data may only be made for operational purposes. It is not allowed to access information that is unrelated to one's own activities. Confidentiality of postal correspondence and telecommunications must be maintained at all times.

For further details, please note the respective guidelines from the IT-department.

## **12. Records and Reports**

All business transactions must be recorded in a true, fair and timely fashion. In accordance with established procedures, generally accepted accounting principles, appropriate accounting systems, controls and audits, all Employees shall ensure the reliability and accuracy of our accounts, records and reports. The requirement of truthful statements applies to travel and other expense accounts as well.

## **13. Handling of Company Property and Intellectual Property Rights**

All Employees entrusted with property – be it tangible or intangible (including intellectual property rights) – belonging to or controlled by Leica are responsible for the careful use, protection and administration of such assets. This in particular applies for intellectual property rights, i.e. any and all valuable ideas of our Employees resulting from our daily efforts to provide innovative premium solutions in uncompromising quality to our customers. Sometimes these ideas may be protected by filing an application for official registration with governmental authorities such as a patent office (e.g. patents, designs, utility models). Sometimes those ideas must be protected by simply keeping them strictly confidential (trade secret). Duplicating, publishing or using such intellectual property without proper permission might be a violation of law and is not permitted.

Expenditures/funds must be handled with due care. All Employees are expected to avoid damage, unnecessary costs or other disadvantages and shall not misappropriate Leica's property.

## **14. Respecting Third Party's Intellectual Property Rights**

We respect any third party's intellectual property rights. Any use of third party's rights is subject to a valid license agreement. All Employees having doubt about intellectual property rights shall contact the legal department and ask for further guidance.

## **15. Complying with Import and Export Laws**

Leica manufactures its goods in Germany and Portugal, but in cooperation with Third Party suppliers in many other countries as well. This requires Leica to obey a variety of export and import laws. Export laws may restrict the use, (re-)export, release or other transfer of any supplied goods, technologies, software or any other foreign product that contains or is a product thereof. Therefore our sales, development and manufacturing divisions as well as all related processes have to comply with the applicable export control regulations and trade sanctions. Import laws require accurate declaration of all imported goods as well as the payment of the applicable customs duties and/or other taxes.

All Employees having doubt about import and export laws shall contact the export control and customs department and ask for further guidance.

## **16. Complaints and Comments**

All Employees may lodge a complaint with the direct superior. Circumstances which point to a violation of the Code of Conduct and the supplemental guidelines and policies are to be reported first and foremost to the direct superior. In case the superior is suspected to be



involved in any unlawful conduct, they are to be reported to the Local Management. In case the Local Management is suspected to be involved in any unlawful conduct, concerns shall be reported to the Compliance Office.

The superior shall submit any violation of the Code of Conduct and the supplemental guidelines and policies without delay to the CFO. Whenever it is deemed that the CFO is involved in a compliance case by its own, the case shall be reported to the Management Board. Whenever it is deemed that the Management Board is involved in a compliance case itself, the case shall be reported to the Supervisory Board.

The respective recipient shall notify any such violation without delay to the Compliance Office.

All complaints will be investigated. All documentation will be kept confidential to the extent permitted by law. No reprisal of any kind against Employees who have filed complaints in good faith will be tolerated. However, any intentionally false accusation will be treated like a violation of the Code of Conduct and/or the supplemental guidelines and policies itself.

### **17. Consequences of Non-Compliance**

Compliance means obeying the law and behaving in accordance with Leica's Code of Conduct and the Policies and/or Guidelines based thereon. Leica will not tolerate any compliance violations and will take appropriate action against those violating this obligation. Any violation will be treated as a serious matter and may result in one or more sanctions, depending on applicable law, such as informal warning, formal warning, forfeiture of variable pay, transfer to another position or dismissal.

### **18. Further Information and Contacts**

Leica has established a Compliance Office to oversee the implementation of the Code of Conduct and the supplemental guidelines and policies and to serve as a resource, should any questions arise.

The Compliance Office can be reached via e-mail ("compliance@leica-camera.com") or via telephone (+ 49 6441 2080-209 or -118). In addition to fielding questions or concerns, the Compliance Office is with respect to potential violations of the Code of Conduct and the supplemental guidelines and policies responsible for:

- investigating possible violations, i.e. upon complaints as well as spot-check inspection without any complaint;
- developing and conducting periodic training sessions to refresh Employees' familiarity with the Code of Conduct and the supplemental guidelines and policies;
- updating the Code of Conduct and the supplemental guidelines and policies as needed and alerting Employees to any updates; and
- otherwise promoting an atmosphere of responsible and ethical conduct.

## 19. Definitions

- (1) **“Benefit”**: Any economic and non-economic advantage of any kind which is directly or indirectly offered or provided to Third Parties and/or Public Officials or offered by or received from Third Parties and/or Public Officials including in particular gifts, loan for use, meals, entertainment, travel and lodging.
- (2) **“CFO”**: Chief Financial Officer of Leica Camera AG, Wetzlar, Germany.
- (3) **“Employee”**: All directors, officers, and employees of Leica (including all interns and temporary employees).
- (4) **“Government Entity”**: Not only national, state or local governments or departments, but also:
  - Commercial enterprises that are government owned or government controlled (like a state-owned television company, or a savings bank),
  - Government controlled or directed bodies and agencies, or
  - Public international organizations and Political parties
- (5) **“Leica” or “Company”**: Leica Camera AG, its subsidiaries, and its affiliated companies.
- (6) **“Local Management”**: Members of the management of affiliates or subsidiaries of Leica Camera AG that are authorized to represent the respective affiliate or subsidiary.
- (7) **“Public Official”**: Any person working for a Government Entity or otherwise connected with the exercise of public authority as well as anyone treated as a government official under local law like, for example, a forestry official, teacher, or university professor. This definition also includes soldiers, judges, members of legislative bodies and candidates for political office or anyone associated with a political party.
- (8) **“Related Party”**: Persons related to an Employee are
  - relatives of the Employee,
  - persons with whom the Employee lives in cohabitation,
  - a trusteeship for which the Employee acts as trustee and which includes the Employee, his/her spouse or his/her children as beneficiaries, or
  - a company controlled by the Employee or his/her spouse, either by shareholdings, by managing the company, via a fiduciary relationship of any kind or in any other way.
- (9) **“Third Party”**: Any person except Employees and any legal entity except Leica.