

# CODE OF CONDUCT VAT GROUP AG

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*The Code of Conduct of VAT Group AG is available in several languages. In case of questions of interpretation the English (original) version is to be consulted.*



PASSION. PRECISION. PURITY.

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# A Message from our Chairman of the Board of Directors

Dear employees and business partners,

We work in a fast-changing global environment, with demanding customers who rely on our technology leadership and our commitment to their business success. To meet this challenge, we aim to create a strong but also flexible and pragmatic global organization to secure our own long-term competitiveness. This includes a commitment to uphold our values as a company and to do business in a way that takes all of our stakeholders into account.

We are launching our Code of Conduct as a way to provide a clear understanding of VAT's core values and the standards that govern our business. It lays the groundwork for how we treat our customers, suppliers, investors, employees, the communities where we operate, and each other, most importantly:

- respect for human rights and the personal dignity of each individual;
- commitment to the highest levels of health, safety and security in our operations and those of our suppliers and business partners;
- our pledge to deliver the highest levels of product quality;
- upholding the highest integrity standards, in particular by committing to fair competition and strict compliance with national and international laws and regulations; and
- using natural resources sustainably, in a way that reduces negative impacts on the environment.

VAT's senior management team and the company's Board of Directors fully support this Code of Conduct and are committed to keeping its values and principles at the core of our operations. I encourage you to familiarize yourself with this Code of Conduct to better understand how our core values affect your day-to-day business decisions and to help you to respond appropriately when the need arises.

By working together, I believe this Code of Conduct will help us to build the strong organization we need to generate sustainable growth and create value and trust for all our stakeholders.

*Sincerely,*



Dr. Martin Komischke  
Chairman of the Board of Directors

# Preamble: Scope of Applicability

**This Code of Conduct is binding for all employees and managers (“Employees”) of the VAT Group AG and affiliated VAT companies (“VAT”).**

The Code of Conduct describes the values, principles and key rules for all VAT Employees of any global VAT company belonging to the VAT Group. It provides a framework and will help us to make the right decisions in our day-to-day work.

## 1. Principles of Conduct

### 1.1 VAT Values

**We are committed to our VAT values.**

VAT leads innovation and provides reliable solutions within the vacuum industry. This is part of our DNA from which we develop our business in existing and new markets.

Technological excellence has always been at the core of our success in an industry where customers demand nothing less than flawless quality, delivered on time, day after day and year after year. Hence VAT’s credo: **PASSION. PRECISION. PURITY.** These three words reflect a large part of VAT’s values: the passion to innovate, to create products of unparalleled precision that allow customers to create the purest vacuum environments needed to manufacture the world’s most advanced products.

With Swiss roots and already more than 50 years of experience, we are grown into a global company, strive for diversity and respect all cultures and opinions, are committed to each other and we are passionate about our common future acting as **“One VAT.”** Being accountable for what we do, meeting our commitments, and an open communication ensure we can create competitive market value for all our stakeholders.

This Code of Conduct sets out how we intend to implement the values in our daily business and to encourage us, working in a fast-changing environment, with the tools we need to make the right business decisions to **“OPEN DOORS FOR A SMARTER FUTURE.”**

### 1.2 Applicable Law and Internal Rules

**We comply with applicable laws and internal rules.**

We comply with all applicable local, national and international laws and regulations wherever we do business. Our foremost aim is to act in a high ethically and legally irreproachable manner. We do not tolerate violations of any applicable law or violations of this Code of Conduct or any other internal rule, guideline or policy, regardless of the country in which we are working or doing business.

### 1.3 Social Responsibility and Mutual Respect

**We are socially responsible and treat each other with respect.**

These are characteristics of the VAT company culture. Honest dealing and integrity are the basis of the cooperation not only within the VAT Group, but also with our business partners, customers and suppliers and form the basis of our commercial success.

#### 1.4 Human Rights and Non-Discrimination

**We respect human rights and the personal dignity and privacy of each individual.**

We accept human rights and do not tolerate any form of sexual harassment, coercion or verbal attack, or any conduct that is intimidating, hostile or insulting. Similarly, we do not accept discrimination against any Employee, business partner or third party based on gender, race, skin color, genetic characteristics, ethnic or social origin, nationality, religious belief, political option, age, disability, family situation or sexual orientation.

#### 1.5 Company Property

**We protect company property.**

VAT provides us with equipment and information in order to complete our duties, e.g. machines, office material, computers, data and data carriers. We deal with these resources in a responsible way and protect them against loss, theft or misuse. We do not utilize or remove company equipment, goods, information and infrastructure for private use.

#### 1.6 Protection of the Environment

**We are committed to a sustainable treatment of the environment.**

VAT sees environmental sustainability as key to long-term value creation. We therefore strive to conserve and protect resources, minimize emissions, and improve energy efficiency and we comply with all applicable environmental laws, rules and regulations.

## 2. Our Employees

#### 2.1 High Working Standards

**We follow the applicable Industry Code of Conduct.**

We follow the Responsible Business Alliance (RBA) Code of Conduct that establishes standards to ensure that working conditions in the electronic industry supply chain are safe, that workers are fairly treated, and that business operations are environmentally responsible and conducted ethically. We foster a direct and open communication with all our Employees. We respect and tolerate the freedom of association and employee representation.

#### 2.2 Engagement

**We are fully committed and are ambitious to achieve our objectives.**

We put our plans in actions to improve the way we work together, allowing us to continue to be the leader in our industry. Success on this journey depends to a very large extent on our willingness and commitment to provide feedback and constructive proposals for creating a work atmosphere that allows all of us to perform at our best and safeguard VAT's good reputation.

#### 2.3 Education and Training

**We attract highly skilled people and offer ongoing further development and education.**

VAT is committed to develop the next professionals with the objective to keep them in VAT in the long term. We continuously ensure further education and encourage our Employees to continue their professional development throughout their entire careers at VAT. We promote and develop talents systematically.

#### 2.4 Health and Safety

**We provide a safe working environment for our Employees.**

VAT provides a safe working environment. This includes the strict compliance of everyone with all relevant labor, health and safety regulations, and policies, to follow all relevant rules, regulations and work instructions as well as to maintain safe working conditions.

## 3. Our Customers and Business Partners

#### 3.1 Respect

**We demonstrate respect in dealing with our customers and business partners.**

Within VAT, confidence, reliability, honesty and mutual respect are the key principles when dealing with customers and business partners. In return, we expect our customers, suppliers, distributors and business partners to behave in the same way when dealing with us.

#### 3.2 Fairness

**We select our business partners in a fair way.**

VAT evaluates current and potential business partners using selection processes that ensure all business partners are treated fairly. Decisions are based on criteria such as price, level of services, products and quality, as well as business integrity. We want to make sure that we do business with companies that share the same values as VAT.

#### 3.3 Anti-Bribery

**We reject all forms of corruption and bribery.**

Bribery and corruption deter economic development, undermine fair competition and destroy trust. Irrespective of the situation, VAT as an employer prohibits us from participating in any form of direct or indirect bribery or corruption. This includes giving, promising to give or offering to give anything of value, to any person for the purpose of influencing or facilitating any business act or decision. This applies to all business transactions, regardless of the business partners or other persons, such as government officials and members of public authorities.

#### 3.4 Gifts, Benefits and Hospitality

**We deal with gifts, benefits and hospitality in a responsible way.**

Accepting gifts, entertainment, and other business courtesies from a business partner can easily create the appearance of a conflict of interest, especially if the value of the item is significant. While VAT recognizes that the occasional offer/acceptance of a modest gift, entertainment or hospitality can contribute to the development and maintenance of good business relationships, we avoid giving or receiving gifts or favors that might influence, or appear to influence, an independent judgment.

Without prejudice to the abovementioned rule, acceptable business courtesies may include gifts that are not substantial in value, entertainment and meals that are reasonable and customary in scale and expense, and in furtherance of the business relationship. Cash or cash equivalents such as gift cards or shopping vouchers must never be given or accepted, nor may inappropriate travel and lodging be offered or accepted by us or VAT representatives.

### 3.5 Fair Competition

#### **We compete fair.**

Competition and antitrust laws ensure fair competition and prevent market distortion which is a benefit for all consumers. We do not exchange any non-public information or enter into agreements with competitors, suppliers or customers that are designed to reduce competition or to exert market power to influence customers. We do not enter into oral or written agreements or coordinated practices on prices, terms and conditions with anyone, incl. competitors, to divide the market, territories or customer groups.

### 3.6 Conflicts of Interest

#### **We draw a line between private interests and the interests of VAT.**

We do not engage in any activity or accept any task that might be in conflict with the interests of VAT.

We never give preferential treatment to any business associate for private reasons. This applies particularly to closely related persons, e.g. family members and relatives. Furthermore, we ensure that none of our decisions or activities could be construed as having been driven by personal interests.

When one of us intends to take a secondary employment or controlled ownership in a company of a competitor, customer or supplier of VAT, prior written consent from VAT is required. Where there is a legal right to secondary employment, VAT has to be informed in advance, whereas avoiding conflicts of interest is the first premise.

### 3.7 Foreign Trade Regulations

#### **We fully comply with all national and international trade regulations.**

We comply with all applicable export and import restrictions, public authorization requirements as well as governing customs and tax regulations.

We place the utmost importance on compliance with national and international regulations prohibiting money laundering, as well as responsible handling of critical raw materials (conflict minerals).

We refrain from transactions recognized as not allowed by the national or international export control regulations or our internal directive known as ICP – Internal Control Program.

For the selection and monitoring of suppliers, we have defined strict policies and principles that need to be followed. All VAT suppliers are also included in the strict implementation of the guidelines and principles.

## 4. Our Products and Services

### 4.1 High-Quality Products and Services

#### **We ensure products and services of high quality.**

Our success in the market is predicated on the high quality of our products and services. We guarantee our customers that all our products and services are constantly produced and rendered at the highest possible level to meet our customers expectations. In this context, functionality and usage as well as on-time delivery, product safety and product reliability are of particular importance to us.

The safety and reliability of our products and services are ensured by innovative processes and excellent quality management. We take our responsibility seriously and undertake actions to prevent risks.

### 4.2 Quality Management Standards

#### **We follow quality management standards.**

To improve our processes on a continuous basis, as well as to meet the needs and match the expectations of our customers, we have aligned our processes to a number of international quality standards.

The quality standards that we have implemented at VAT in relevant areas:

- ISO 9001
- ISO 14001
- ISO IATF 16949

### 4.3 Sustainability

#### **We build a sustainable company.**

VAT aims for economic sustainability with its strategy of long-term profitable growth and value creation.

## 5. Handling Information

### 5.1 Responsible Use of Information

#### **We protect trade and business secrets.**

We protect confidential information and data, such as technical data and drawings, project and calculation data, supply sources and conditions, market strategy, in-house messages and instructions and trade secrets. This information may not be given to unauthorized persons, neither internally nor externally, and must be protected against unauthorized access.

### 5.2 Insider Dealing

#### **We do not use inside information for personal gain.**

The VAT Group AG is listed on the SIX Swiss Stock Exchange ("SIX"). This means that we must observe a range of rules and regulations derived from Swiss legislation governing capital markets. Breaches of these rules and regulations can damage VAT's reputation and destroy investors' trust and confidence in the company. We are prohibited from using non-public inside information, directly or through an intermediary, at any time to acquire or sell securities of VAT.

### 5.3 Data Protection and Data Security

#### **We protect personal data and prevent unauthorized access.**

We are committed to ensure that personal data from us, customers and business partners remain confidential. Personal data may only be collected, processed or used with specific purposes to the extent that it is legally permissible (e.g., where applicable, subject to the persons in question having provided consent). We are obliged to protect personal data and ensure that other people only see what is necessary on a need-to-know basis. We secure our data to prevent unauthorized access.

### 5.4 Electronic Communication and Social Media

#### **We deal with electronic communication and social media in a responsible way.**

All electronic communication, including e-mail and the use of the internet, as well as the data on VAT's IT systems and computers, is the property of VAT and, like other property, must be protected from loss, theft or misuse. We are obliged to act responsibly on social media networks, e.g. Facebook, Twitter or LinkedIn, and are not permitted to disclose any internal and/or confidential company information.

### 5.5 Public Media, Investor Relations and Financial Records

#### **We follow legal requirements when we communicate.**

The Group Executive Committee and the Department of Corporate Communication are responsible for dealing with the media and handling all press enquiries.

Since we are listed on the SIX Swiss Stock Exchange, we follow specific disclosure and reporting requirements, particularly regarding information concerning VAT securities and the company's financial position.

VAT is committed to open, honest and timely disclosure of financial information in line with its stock exchange obligations and following the International Financial Reporting Standard (IFRS).

## 6. Compliance Hotline

#### **We are listening to our employees and external stakeholders.**

Managers, HR business partners, Head of Legal & Compliance and Head of Audits advise regularly and ad hoc on compliance issues. In case of any misconduct, anyone has the obligation to report a suspected misconduct in a secure, protected and confidential way via our VAT Compliance Hotline: <http://www.vatvalve.com/company/compliance-hotline>

# Contact

If you have questions regarding the Code of Conduct or about compliance in general, please contact our:

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