

# Krusell Code of Conduct

## Our everyday guide to business conduct

### Introduction

This Code of Business Conduct (hereinafter referred to as the “Code”) sets the standards of ethical behavior required of all employees, as well as Krusell directors and suppliers when acting on behalf of the Company.

You are responsible for complying with all applicable laws and regulations in each country in which the Company does business as well as complying with this Code of Business Conduct and other policies of the Company. Violations of law, this Code or other policies of the Company are subject to disciplinary action, which may include termination. Business units are responsible for ensuring that their policies and practices are in compliance with this Code.

If a local law conflicts with a policy of this Code, you must comply with the local law. If a local custom or practice conflicts with a policy of this Code, you must comply with the Code.

Krusell has adopted this Code of Business Conduct to provide guidance for its employees when handling ethical and legal issues that may be encountered in conducting the Company’s business. The Code and its terms may be modified or eliminated at any time by the Company. Directors, employees and other representatives of the Company are responsible for being familiar with its contents. The Code does not include all of the policies of the Company.

Your rights as an employee and the Company’s rights as an employer are governed by the laws of the country of employment, the work rules of your employing unit and your individually written employment contract, if any. This Code is intended to clarify the Company’s rights and expectations as an employer, but does not add to or subtract from employee rights or in any way create any contractual employment rights for employees. This means that you have the right to terminate your employment at any time and for any reason, and the Company may exercise the same right, subject to applicable law or existing contract rights. In unusual circumstances, employees may seek approval of actions that otherwise would not be compliant with the Code.

### Accountability

Many aspects of our business are governed by particular laws, and compliance with such laws is basic to ethical conduct. Ethical behavior, however, goes beyond compliance with the law. It involves considering the possible impacts of our decisions on all interested parties – customers, employees and their unions, pensioners, the communities in which we live and work, suppliers, alliance partners, government and shareholders – even when not required to do so from a legal or regulatory point of view. Although the Code lays out the fundamental principles of ethical and legal conduct, it cannot anticipate every ethical dilemma or situation we may encounter as we perform our jobs. This would be impossible with the communications industry evolving so rapidly and so unpredictably.

Consequently, we may often find ourselves caught in a situation or facing an ethical problem not explicitly covered by the Code. In this case, we must rely on our sense of what is right – our moral compass – to guide us in making the right decision.

## **Our relationship with the Company and each other**

Krusell's most important resource is its employees, whose skills, energy and commitment to excellence as well as the Company's vision and values are the source of the Company's character and central to its leadership and success.

### *Constant respect*

The Company will treat each other with respect and fairness at all times, just as it wishes to be treated itself. The Company recognizes the dignity of each individual, respects each employee, provides compensation and benefits that are competitive, promotes self-development through training that broadens work-related skills and, last but not least, values diversity, different perspectives and ideas.

### *Conflicts of interest*

We must avoid all conflicts of interest. A conflict of interest is any situation where the interests of the Company or an employee may differ from the interests of the client. In addition, conflicts may arise if an employee's personal or financial interests are inconsistent with his or her duty to the Company.

### *Safety and health*

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. We are responsible for immediately reporting accidents, injuries, unsafe equipment, practices or conditions to a supervisor or other designated person. Krusell is committed to keeping its workplaces free from hazards.

To protect the safety of all employees, each of us must work free from the influence of any substance that could prevent us from conducting work activities safely and effectively. Threats or acts of violence or physical intimidation are prohibited.

### *We do not employ child or forced labor*

The labor of children must not be used. Krusell defines "child" as any person younger than 16 years of age unless local minimum age law stipulates a higher age for work or compulsory schooling, in which case the higher age applies.

### *We respect each other's privacy*

Krusell respects the privacy of its employees and therefore only collects and maintains personnel and medical records necessary for business, legal or contractual purposes. Access to and knowledge of the contents of such records is restricted to those who need such access or knowledge for legitimate business or legal purposes.

### *We respect the information of others*

We observe obligations of confidentiality and non-disclosure of confidential information and trade secrets of others, including suppliers and former employers, with the same degree of diligence that employees are expected to use in protecting Krusell's own confidential information and trade secrets.

We respect the legitimate intellectual property rights of others and do not reproduce or use software or other technology licensed from suppliers except as permitted by the applicable license agreement or by law.

We do not accept or retain unsolicited ideas or inventions from people outside of Krusell. Receiving unsolicited ideas and inventions can expose the Company to claims of misappropriation of ideas if another organization within Krusell is working on something similar or already knew about the idea from a different source. Employees receiving unsolicited ideas should send them to the top management for handling without reading or sharing them with others.

## **Our relationship with our suppliers**

### *Treatment of supplier*

We are fair to our suppliers. We treat them with respect and dignity. New suppliers will always be investigated and initially only small orders will be granted. New suppliers need to prove they can meet Krusell's high demands on quality, price and delivery time. Krusell does not dismiss or stop doing business with any supplier without any strong reason. Krusell always sets high goals and motivates suppliers to constantly improve to reach these goals. Krusell needs professional suppliers that can also lower their expenses so Krusell can lower its own expenses. Krusell is concerned to meet commitment and always pay in time. Krusell's policy is to have at least two suppliers for a certain product, component or service. We never provide or accept bribes or kickbacks to and from suppliers.

### *We expect quality products just in time*

High, consistent quality is strictly monitored and followed up on frequent basis. Krusell demands high and consistent quality from its suppliers. We provide open discussions and trainings to constantly improve.

We request order confirmations within 24 hours from placement of the purchasing order.

## **Our relationship with our customers**

### *Fair dealing*

We deal with customers, suppliers and competitors in a fair way. At Krusell we do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

### *Treatment of customers*

We are honest with our customers; we treat them with respect and dignity and promise only what we can deliver. Satisfied customers are the key to our success. We earn our customers' continuous loyalty everyday by treating them fairly, delivering the products and services they want and exceeding their expectations.

### *We provide quality products and services*

We strive to provide products and services that meet or exceed our customers' expectations in terms of quality, reliability and delivery time.

### *Compete fairly and honestly for business*

We do not discuss sensitive market information, including prices, territories or strategies with competitors. Doing so violates antitrust and unfair competition laws.

### *Customer information*

Krusell respects the privacy of its customers and therefore only collects and maintains records necessary for business, legal or contractual purposes. Access to and knowledge of the contents of such records is restricted to those who need such access or knowledge for legitimate business or legal purposes.

## **Our relationship with others**

### *We protect the environment*

Krusell abides by all applicable health, safety and environmental laws and regulations in countries and communities in which we operate and where those are considered adequate; otherwise we will abide by the Company's own standards.

#### *Care of company assets*

We protect our company assets. These assets include cash or other financial assets, equipment, computers and software, telephones as well as intellectual property such as all brands owned by Krusell and information and data stored or sent on Company computers.

Employees must comply with the Company's expense policies and safeguard all Company assets from loss through theft, carelessness, misuse or waste. Company assets are only to be used for authorized Company business. They are not to be used for personal purposes or in support of a non-Krusell business or activity. Some assets such as telephones and computers may be used for limited personal reasons in accordance with Krusell's policies, provided such use is appropriate, minimal and does not interfere with job performance. As permitted by law, the Company monitors communications that are made through the use of Krusell assets to ensure compliance with the law and Company policy.

#### *Improper payments*

We never offer or make an improper payment to anyone, for any reason. Krusell obtains business based on the merits of its products and services. We never offer or provide bribes or kickbacks, either to government officials or private sector customers or suppliers. Improper payments are not limited to payments in cash or currency. Improper payments may include anything sufficiently valuable that may be construed as swaying the recipient's decision making process on behalf of the Company. Improper payments violate Company policy and are often illegal, definitely so in the case of government officials. Making such payments subjects both the Company and the individual involved to possible civil and criminal penalties.

#### *Gifts*

We cannot accept gifts, gratuities or entertainment from suppliers, except within limited situations. Problems arise because gifts, gratuities and entertainment may compromise or appear to compromise our ability to make fair, objective, business decisions.

Offering or receiving any gift, gratuity, or entertainment might be perceived to unfairly influence a business interaction and involves us in a real or potential conflict of interest situation. For this reason we must not accept gifts and gratuities from suppliers or potential suppliers, except for unsolicited hospitality, gifts or mementos of nominal value that are customary and business related. It is always a good idea to review the circumstances with your manager to see if he or she agrees that the situation falls within this exception.

All other gifts must be politely returned with a note explaining the Company's policy.

Accepting gifts having a monetary value is always prohibited – for example, gift certificates, cash, services, discounts or loans. The Code does not change during traditional gift giving seasons and applies equally to all of us. We are aware that building relationships with customers and suppliers is an integral part of doing business. Therefore, offering and accepting reasonable hospitality may be appropriate in certain cases.