

CODE OF CONDUCT

Preamble

- P.2 Z-Wave Europe GmbH (hereinafter “**ZWE**” or the “**Company**”) has high standards about its conduct and work practice. Therefore, this Code of Conduct (hereinafter “**Code**”) of ZWE sets out the standards and values for ZWE in order to particularly ensure safe working conditions, treat its employees with respect, ensure all business operations are operated in an environmental friendly and responsible manner, and conduct all of its activities ethically and in full compliance with applicable laws, rules and regulations of the Federal Republic of Germany and other countries in which ZWE operates.
- P.2 If there are conflicts between the Code and statutory German Law, the latter shall prevail.

Values

Staff improvement

The Company seeks to protect and to promote the value of moral and cultural integrity of the person. ZWE strives to achieve employee satisfaction by supporting all initiatives that help create a dynamic work environment, based on motivating and involving employees, emphasizing team work, acquiring new skills, and being able to measure, recognise and gratify the contribution of each employee. ZWE ensures a working environment based on providing attention to, listening to, trusting in, and ensuring the professional recognition of the employees, including by caring for the work place and working conditions so as to safeguard the employees’ physical and psychological health.

Lawfulness

In carrying out its activities, ZWE acts in compliance with the law and all regulations in force in the areas in which it operates as well as with this Code and corporate procedures, applying them in a fair and equitable manner. In no case does the Company excuse or tolerate behaviour that violates existing laws and regulations and/or this Code. In particular, the belief that one is acting for the benefit of the Company does not permit or justify, in any case or manner, behaviour that does not comply with the principles, values and rules that underlie this Code.

Care for the environment

ZWE recognises the importance of protecting the environment as a primary good and is committed to promoting the rational use of resources in the Company and devoting attention to finding innovative solutions for saving energy.

Principles of conduct in company operations

Accounting

The Company shall take steps to ensure that information is accurate, complete and timely. To this end, every operation or transaction shall be accurately and promptly recognised and recorded in the corporate accounting system in accordance with the criteria established by law and on the basis of the applicable accounting standards; every operation or transaction must be authorised, verifiable, legitimate, consistent and appropriate.

Internal control

ZWE shall implement internal control instruments necessary or useful for directing and checking the activities of the Company to ensure that it complies with the law and corporate procedures, safeguards corporate assets, effectively manages company activities and clearly provides true and fair information on performance and the financial position of the Company.

Relations with authorities

ZWE shall collaborate to fullest possible extent with any authorities that should request its assistance in relation to their relationship with ZWE and, or generally abstain from unwarranted interference in the activities of any enquiry.

Anti-corruption

ZWE shall comply with the principles for combating corruption and shall constantly strive to undertake all the measures required to prevent corruption in any form. More specifically, any behaviour that encourages acts of corruption and/or collusion, including those perpetrated against third party, in order to obtain personal benefits or benefits for the Company is expressly forbidden. Prohibited conduct with respect to corruption includes recipients offering, promising and/or receiving cash, financial benefit, other advantages or benefits connected with the activity performed.

Money laundering

ZWE shall comply with all national and international laws and regulations for combating money laundering. It shall not, in any manner or under any circumstances, receive or accept promises of cash payments or run the risk of being implicated in events relating to the laundering of funds associated with illicit or criminal activities. Before establishing a relationship or entering into a contract with suppliers or other third parties in the course of its business, the Company shall verify the integrity, reputation and good name of the counter party.

Conflict of interest

ZWE shall identify and manage conflicts of interest in compliance with the organisational measures and procedures put in place by the competent bodies and applicable law, regulations and corporate governance rules. ZWE shall not be represented by consultants or other “third parties” where a conflict of interest could arise. Employees of the Company shall refrain from engaging in activities in their own direct financial interest that are even potentially in conflict with the interests of the Company. In any case, employees shall avoid any situation and all activities that may give rise, even if only potentially, to a conflict of interest with the Company or that could interfere with their ability to take impartial decisions in the best interest of the Company and in full compliance with the Code.

Gifts

Employees of the Company shall not accept, give or offer, directly or indirectly, gifts, payments, material or other benefits of any amount from/to third parties or private individuals, to influence or compensate them for their actions or to obtain any advantage from them. Acts of commercial courtesy, such as gifts or forms of hospitality, are permitted when they are of low value and in any case do not compromise the integrity or the reputation of one of the parties and cannot be interpreted, by an impartial observer, as intended or improperly obtained benefits. In any case, such expenses must always be authorised and adequately documented.

Relations with employees

General principles

The value of respect for persons and their professional development is of importance to the Company, along with the understanding that the entirety of each employee’s intellectual, organisational and technical capabilities and relationship skills represents a strategic resource. Accordingly, in managing relations with employees, ZWE ensures equal opportunities to all employees based on their professional skills and individual capabilities, without discrimination based on gender, sexual orientation, age, religious beliefs, race, political and/or union affiliations. In the conduct of its business, ZWE ensures secure working conditions and safeguards the mental and physical health of its employees, with respect for their personality, ensuring that they are not subject to unlawful pressures or unwarranted distress. ZWE expects that employees at every level shall cooperate to maintain a working climate featuring mutual respect for the dignity, honour and reputation of each person, and intervene to prevent harmful interpersonal conduct.

Hiring

The recruitment and hiring of personal is based on principles of publicity, transparency, impartiality and equal opportunity. Employees are selected based solely on the skills and

professional capabilities of the candidates, having regard to the positions that need to be filled, and in accordance with the needs of ZWE.

Conduct in the workplace

In conformity with the ethical principles that inform its activities ZWE protects the physical and moral integrity of its employees, ensuring that they enjoy working conditions that respect human dignity. Within the context of the employment relationship, relationships between employees of all levels within the hierarchy must reflect mutual fairness, respect and courtesy. Behaviour that is offensive to the dignity of others in general, and especially if motivated by reasons of race, ethnicity, sexual orientation, age, religion, social class, political opinions, state of health, or any other reason of a discriminatory nature, is not permitted in the workplace.

Non-discrimination

ZWE shall be committed to a workplace free of harassment and unlawful discrimination.

Violence

Violent or threatening behaviour is not tolerated in the workplace, nor is behaviour that is psychological abusive or harmful to the physical or mental wellbeing of others.

Relations with suppliers and other third parties

General principles

Relations with suppliers and other third parties are governed by the principles of transparency, equality, loyalty and free competition. Specifically, employees of the Company shall:

- a) observe and respect the provisions of applicable law and contractual conditions in their dealings with suppliers;
- b) follow internal procedures for selecting and managing relations with suppliers;
- c) obtain the cooperation of suppliers in ensuring that quality and cost requirements and delivery times of goods and services are met;
- d) ensure that correspondence with suppliers complies with the principles of transparency and completeness of information;
- e) avoid being placed under any form of influence by third parties outside of the Company in taking decisions and/or carrying out actions in the course of performing their duties.

Selection process

Procurement processes are designed to ensure compliance with applicable regulations, seek out the greatest financial advantage and safeguard the reputation of ZWE. Accordingly, employees of the Company involved in these processes shall:

- a) provide suppliers, who meet the necessary requirements, equal opportunity to participate in selection processes;
- b) ensure that in general more than two parties take part in the selection, except in exceptional cases governed by special procedures;
- c) verify, including through the acquisition of suitable documentation, that the suppliers participating in tenders have financial and other resources, organisational structure, technical skills and experience, quality systems and staff that are adequate to meet the needs and preserve the image of ZWE.

Health and Safety policy

General principle

ZWE recognises that in addition to minimising the incidents of work-related injury and illness, a safe and healthy work environment enhances the quality of product and services, consistency of production and employee retention and morale. ZWE shall hence ensure to maintain safe and healthy working conditions according to the local laws and regulations.

Occupational Safety

Potential or actual employee exposure to safety hazards are to be identified, assessed, and controlled through proper designed, engineering and administrative controls, preventative maintenance and safe work procedures and ongoing safety training.

Industrial Hygiene

The exposure of employees to biological and physical agents are to be identified, evaluated and controlled according to the hierarchy of controls.

Environmental policy

General principle

ZWE shall control all of its environmental pollutants in wide of its business activities, and use its best efforts to reduce its environmental impact when providing product and services. The Company shall adhere to laws and regulations related to waste management, recycling, waste water and air emissions.

Permits

All required environmental permits, approvals and registrations are to be obtained, maintained and kept current and the operational and reporting requirements are to be followed by ZWE.

Waste

ZWE shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste.

Ethical policy

General principle

ZWE shall adhere to all applicable laws and regulations in its business activities. To meet social responsibilities and to achieve success in the market place, the Company is to uphold the highest standards of ethics.

Business integrity

The highest standard of integrity are to be upheld in all business interactions. The Company shall have a zero-tolerance policy to prohibit any and all forms of bribery, corruption, extortion and embezzlement.

Disclosure of information

All business dealings should be transparently performed and accurately reflected on the Company's business books and records. Information regarding the Company's labour, health and safety, environmental practices, business activities, structure, financial situation and performance is to be disclosed in accordance with applicable regulations and prevailing industry practices.

Intellectual property

Intellectual property rights are to be respected; transfer of technology and know-how is to be done in a manner that protects intellectual property rights and the Company's proprietary information are to be safeguarded at any time.

Privacy

ZWE shall commit to protecting the reasonable privacy expectations of personal information of everyone that it does business with, including suppliers and employees. ZWE shall comply with privacy and information security laws and regulatory requirements when personal information is collected, stored, processed, transmitted and shared.

Management system

ZWE shall establish a management system in order to comply with this Code, applicable laws, regulations and other requirements that integrate human rights and labour, health and safety, environment and ethical issues into the business decision-making process. Such system shall include clear objectives and goals, regular monitoring and continuous improvements actions.

Corrective action process

ZWE shall establish and continue to operate at all times a process for timely correction of deficiency identified by internal or external assessments, inspections, investigations and reviews.

Documentation

ZWE shall create and maintain documents and records to ensure regulatory compliance and conformity to the Company's requirements along with the appropriate confidentiality to protect privacy. The Company's adoption of and compliance with this Code shall be documented.