

Kapsch Group

Code of Conduct.

This Code of Conduct contains the principles and practices which we at Kapsch wish to follow. We take into account the interests, expectations and requirements of our various stakeholder groups. In particular, these are employees, customers, suppliers, business partners, investors as well as the general public.

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1 Preface.

Dear Ladies and Gentlemen,

For Kapsch TrafficCom, as a globally active group, it is not only important for us that we achieve our business goals, but *how* we do it. A glance at our company history illustrates this:

Since its foundation in 1892, Kapsch has been a technology company in the electronics segment. This industry is characterized by constant and sometimes even disruptive development. This is driven by technological innovations, changing customer needs and a dynamic market environment.

Our corporate history shows that we act sustainably and with foresight. In this way, we have succeeded in developing Kapsch from a locally oriented company into a global player. Understanding the needs of the relevant stakeholders and making the right decisions based on this knowledge has always been an important factor in our success.

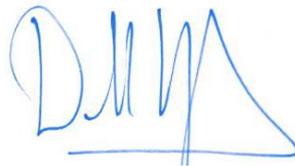
In the course of the many years in business, a strong corporate culture has developed at Kapsch, which we want to uphold despite growth, internationalization and a changing environment. However, it goes without saying that adaptations are necessary from time to time.

This Code of Conduct contains the principles and practices which we at Kapsch wish to follow. We take into account the interests, expectations and requirements of our various stakeholder groups. In particular, these are employees, customers, suppliers, business partners, investors as well as the general public.

We thank you for supporting us on our shared path.



Mag. Georg Kapsch
Chief Executive Officer



Dr. Kari Kapsch
Chief Operating Officer



Dr. Franz Semmernegg
Chief Financial Officer

2 Application of the Code of Conduct.

This Code of Conduct is valid starting 2020-03-01, until further notice, and replaces the Code of Conduct from 2014-03-20.

The Code of Conduct applies within Kapsch Group (herein also referred to as "KAPSCH") without exception to all members of the Executive Board, managing directors, executives, employees, and all other persons acting on behalf of the Group (hereinafter collectively referred to as "employees").

KAPSCH comprises KAPSCH-Group Beteiligungs GmbH, Kapsch Aktiengesellschaft, Kapsch TrafficCom AG and Kapsch BusinessCom AG including all fully consolidated direct and indirect subsidiaries.

We also expect everyone involved in our value chain (e.g., suppliers, vendors, subcontractors at any tier, consultants, cooperation and implementation partners) and our customers to act in accordance with this Code of Conduct.

Additional mandatory rules, policies, and/or regulations complement various topics addressed in the Code of Conduct on a global and/or regional and/or country level.

3 Infringements of the Code of Conduct.

Violations of legal provisions and this Code of Conduct may have serious consequences for individuals as well as for the entire Kapsch Group. For this reason and out of a sense of ethical responsibility, KAPSCH systematically looks into any breach of law or violation of internal rules. This is done regardless of the position and responsibilities of the individual concerned.

Violations of the Code of Conduct may result not only in disciplinary measures and consequences under labor law including potential termination of employment, but also in criminal prosecution and claims for recourse and compensation by KAPSCH.

If employees become aware of violations of the law or of the Code of Conduct, they are encouraged to report this to their immediate supervisor or, depending on the circumstances, to the Works Council, the Personnel Department (HR), the Legal Department, the Compliance Officer, the Chief Information Security Officer (CISO), the Chief Privacy Officer (CPO) or the Women's Representative.

In the event of a report, insofar as appropriate and allowable under applicable local law, KAPSCH will endeavor to preserve the anonymity of the person making the report. Retaliation for any such report made in good faith is not permissible at KAPSCH, and is a violation of this Code. This also applies to persons who contribute information to an investigation into misconduct. It should be noted that persons against whom a report is made may be informed. This is in order to obtain their views of the facts under consideration.

Any abuse of the reporting system, i.e., accusations made in bad faith or without evidence or veritable indications to support the suspicions, constitutes a violation of the Code of Conduct and may lead to a termination of employment or dismissal.

4 *Kapsch values.*

Values are an integral part of the corporate culture at KAPSCH. Our activities create a legacy and make an active contribution to responsible, social development.

The employees of KAPSCH live and work according to these values:

Responsibility.	We understand responsibility to mean acting in the interests of the company and its employees, bearing the consequences and taking the initiative.
Transparency.	We understand transparency to mean openness in dealing with information and the traceability of our decisions and actions in daily communication.
Respect.	We understand respect as the basis of our cooperation, the mutual recognition of our achievements and the opinions of others.
Performance.	We understand performance as the result of the dedication and success of each and every employee who contributes to achieving our shared goals.
Freedom.	We understand freedom as the use and design of a defined scope of action and the expansion of this scope through personal engagement.
Family.	We understand family as pulling together on the same rope, strengthening our bonds and supporting one another.
Dynamism.	We understand dynamism as our determination to continuous change and willingness to achieve newly established goals.
Discipline.	We understand discipline as the adherence to rules which govern our living and working together and acting in accordance with our values.

5 *Required conduct for integrity.*

All employees undertake to comply with the relevant legal provisions (laws, ordinances, directives, etc.) and the company's internal requirements for conduct and action in all business activities and decisions. The following principles apply:

Regarding the general public.

- > KAPSCH respects and protects human dignity.
- > Unfair business practices are prohibited. This includes:
 - o unlawful agreements
 - o corruption and bribery
 - o at the stock exchange: insider dealing and market manipulation
- > Personal data and business data must be adequately protected.

Regarding employees.

- > KAPSCH strives to protect the physical, mental and psychological well-being of its employees.
- > KAPSCH prohibits:
 - o torture or inhuman or degrading treatment or punishment
 - o slavery or servitude. No one shall be forced to perform forced or compulsory labor
 - o human trafficking
 - o child labor
 - o workplace harassment (including sexual harassment)
- > KAPSCH respects the privacy of its employees.
- > In particular, discrimination on grounds of sex, origin, religious or sexual orientation is prohibited. Diversity is encouraged.
- > Conflicts between the interests of the company and those of employees must be avoided.

Regarding the environment.

- > KAPSCH endeavors to minimize the negative effects of its business activities on the environment and maximize the positive effects.

5.1 *Fair competition.*

Transparent, fair and professional conduct on the market secures KAPSCH's long-term interests, and helps the Group to attain a sustainable competitive position. Any restriction of free competition through market collusion, market abuse and the abuse of market position is rejected. This applies to tenders as well as to current business. KAPSCH responds to increased competition with more efficient processes and high-quality products.

Employees must therefore comply with the following rules of conduct:

- > No agreements are entered into with competitors, customers and suppliers, nor are any practices coordinated that have as their object or effect the hindrance, restriction or distortion of competition. This applies in particular to prices, labor cost rates, overhead rates, production volumes, the processing or sharing of markets or discrimination against other market participants.
- > Should KAPSCH occupy a dominant position in a market, this cannot be abused.
- > No unfair business practices are used or unreasonable pressure exerted on business partners.
- > No sham offers are made to other market participants.
- > No strategic information is exchanged with competitors or other market participants. Strategic information is all information and data that enables a market participant to predict the future market behavior of another market participant, such as prices and price components, costs, customers, capacities, stocks, investments, planned product developments, planned participation in tenders, etc..

KAPSCH's participation in associations and interest groups promotes positive economic development and secures KAPSCH's interests in the respective group or division. The participation and activities of employees in such associations are subject to the principles outlined above.

5.2 *In accordance with trade regulations.*

As a globally active company, employees comply with regulations relating to international trade. KAPSCH has established an internal Trade Compliance System to prevent violations of national or supranational regulations. Controls are required at three different levels to avoid such violations:

- > **Destinations.** Countries where customers or end users are located or where equipment is provided must be checked for possible embargoes or sanctions.
- > **Business Partners.** Customers, suppliers, end-users, owners of customers and end-users as well as other parties that may indirectly benefit from transactions must be checked to ensure that they are not included on sanctions lists or embargoes.
- > **Equipment.** Hardware, software and technology made available to persons or companies (whether delivered physically or electronically) must be checked and classified to ensure that all legal requirements for an export are met.

5.3 *Avoiding conflicts of interest.*

Employees are expected to act in the interests of the Group, while remaining socially committed.

We want to avoid situations in which conflicts with the interests of our Group can arise for personal or financial reasons. Employees therefore undertake to ensure the greatest possible transparency in dealing with potential conflicts of interest and to comply with the following rules of conduct:

- > A planned secondary employment must be approved in advance. People who start working at KAPSCH have to obtain approval for secondary employment before signing the contract of employment with KAPSCH. Such an approval must be by the immediate supervisor in coordination with the personnel department (HR) , and is agreed in writing as part of an addition to any employment contract, which is to be handled by the personnel department (HR). This also applies to participation in Management Boards, Supervisory Boards or advisory bodies of companies not belonging to the Kapsch Group.
- > Secondary employment is any paid employment that is performed alongside a full-time job. This also includes any work on a self-employed basis. Voluntary or charitable activities do not require approval as long as they are carried out without remuneration.
- > Shareholdings in a competitor or in a business partner of Kapsch Group, especially a customer or supplier, must be reported to the immediate supervisor for approval. This is not necessary for a stake below 1%.
- > Shareholdings by close family members (wife, husband, partner, children, siblings, parents) in business partners must be reported to KAPSCH. This is not necessary for a stake below 1%.
- > In contractual negotiations it must be reported to KAPSCH if family members are involved on the side of the business partner.

5.4 *Offering and accepting benefits.*

Gifts, hospitality or invitations to events are widespread in general business dealings across many cultures. However, if these benefits exceed what is reasonable and customary and/or may be abused in order to influence the decisions of clients, business partners or officials, they represent corruption.

KAPSCH does not tolerate any form of corruption. Actual or potential conflicts of interest must be avoided. The very appearance of corruption or conflict of interest is impermissible.

The offering, granting, promising, requesting and acceptance of a benefit is prohibited if

- > such benefit has as its purpose the undertaking or omission of an official or legal duty or act, or
- > it is given in order to obtain a private or business benefit, or
- > decisions or the behavior of a person would be influenced or could even have the mere appearance of being influenced, and in all cases
- > when it occurs in the form of cash or kickback payments.

5.5 *Donations and sponsorships.*

Donations are made within the context of our social responsibility and must be within conventional limits. The recipients of the donations must be independent of KAPSCH or the members of the management bodies (Supervisory Board, Executive Board, managing directors) and their close relatives. Donations must not be detrimental to KAPSCH's reputation.

Donations and sponsorships:

- > are entrepreneurial decisions
- > take place free of extraneous interests
- > are in the best interest of the Group/society
- > are done on the basis of appropriate information.

KAPSCH does not carry out any donations or sponsoring activities:

- > if a predominantly political or religious aspect is connected with it, or
- > if this is intended to result in an act or omission on the part of the other party which is in breach of duty.

Donations as well as sponsorship payments must remain within the framework of the respective legal system and the current corporate policy.

5.6 *Lobbying.*

Transparent and professional lobbying supports well informed decision making by providing technical and practical knowledge to decision makers.

Integrity, transparency, compliance with the law and our fundamental democratic values form the basis of every lobbying activity. It is carried out in compliance with the law, internal KAPSCH guidelines and the following principles:

- > Lobbyists act professionally, honestly, ethically and reasonably.
- > Lobbyists adhere to all applicable laws.
- > Information provided is at all times, to the best of knowledge, unbiased, complete, current and in a manner that is not misleading.
- > Under no circumstances may unfair, untruthful, unreasonable or unlawful influence be exerted on a functionary, neither through direct or indirect financial nor through other material incentives.
- > Functionaries will in no case be enticed to violate regulations and standards of conduct.
- > Lobbyists do not conduct themselves in any way which damages or could damage the reputation of KAPSCH.
- > The confidentiality of information obtained during lobbying activities must be maintained unless there is a statutory duty of disclosure or the consent of corporate management is obtained.
- > Remuneration for lobbying must always be proportional to the services provided.
- > Legal restrictions on remuneration and the scope of work are always strictly obeyed.

Comprehensive and transparent documentation must be kept with respect to lobbying services provided by company lobbyists and external lobbyists so that the provision of services can be understood.

5.7 *Information security.*

Information security concerns the protection of company, customer and user data. This may also include personal data, i.e. data which can be clearly associated with a specific person and which must be reliably protected against unauthorized access in accordance with data protection regulations. KAPSCH is aware of its responsibility in handling such data and has anchored the issue of information security deep within the organization. Risks and current threats are continuously assessed so that targeted measures can be taken. These typically aim at the three dimensions of humans, process and technology. As a technology group, KAPSCH is exposed to typical IT risks relating to the confidentiality, availability and integrity of data. The Group has introduced a global information risk management system for this purpose.

Every KAPSCH employee must ensure that all company information, including personal data, stored on data media in any form, is always kept secure.

Employees undertake not to make **personal data** obtained in the course of business activities available to third parties, either in pursuit of their own interests or in pursuit of the interests of third parties. If personal data is processed by KAPSCH, implemented processes ensure that data subjects can exercise their rights with regard to the processing of their personal data.

Employees are also sworn to secrecy with regard to **business and trade secrets** of KAPSCH companies. Information from KAPSCH contractual partners is treated with the same strict confidentiality. Furthermore, the relevant provisions on the confidentiality of service contracts and their contents apply.

5.8 *Capital market and dealing with inside information.*

Kapsch TrafficCom AG, a listed company of the Kapsch Group, is subject to the relevant capital market laws. In addition, this company is committed to compliance with the Austrian Code of Corporate Governance. This Code aims at the responsible management and control of companies, geared towards sustainable and long-term value creation.

Abusing inside information (engaging in insider trading, unlawfully disclosing inside information) and manipulating the market is prohibited.

Inside information is information that is precise and has not been made public, has a direct or indirect connection with the issuer and is likely to have a significant influence on the price of a financial instrument.

Market manipulation is every act or order which

- > puts out incorrect or misleading signals, or
- > leads to abnormal or artificial price levels, or
- > influences price through deception.

5.9 *Human rights and labor standards.*

Within its own sphere of influence, KAPSCH supports the protection of international human rights and takes care not to be complicit in human rights violations.

KAPSCH strictly rejects all forms of forced labor and human trafficking ("modern slavery") and child labor.

5.10 Diversity.

Globally, KAPSCH employs people of different gender, age groups as well as with diverse views and beliefs. The employees are of different origin and ethnicity, have different cultural and religious backgrounds, different sexual orientations as well as mental and physical abilities. The promotion of diversity is therefore a strategically relevant topic for KAPSCH, to which great importance is also attached in in-house training programs. KAPSCH expects its employees and managers to deal with this issue in order to develop an understanding of the resultant diversity. This creates the basis for cross cultural and motivating cooperation.

One of the focal points in the area of diversity is cooperation between men and women. Various measures to promote women within the Group should lead to an increasing number of women in management positions.

In general, the selection of candidates for executive and managerial positions is made with a view to the best possible filling of vacancies. We attach great importance to professional and social competence, experience, and the ability to work on a team. Origin, ethnicity, cultural and religious background, sexual orientation, and gender are not appointment criteria.

5.11 Respectful workplace: preventing workplace harassment.

At KAPSCH we want to work in an environment characterized by respect for ethical boundaries and one another. Therefore, workplace harassment, including sexual harassment, are not tolerated at KAPSCH under any circumstances.

Harassment is unwelcome conduct against a person that is based on religion, gender, sex (including sexual orientation and pregnancy), origin, ethnicity, colour, age, disability or genetic information. Harassing conduct may include, but is not limited to, offensive jokes, slurs, name-calling, physical assaults or threats, intimidation, ridicule, insults, offensive pictures, and more.

Complaints or requests for assistance regarding workplace harassment are handled expeditiously and equitably at KAPSCH. The person making a good faith complaint is protected from retaliation.

6 Implementing of the Code of Conduct.

6.1 At Kapsch.

Management of KAPSCH is required to set an example to all employees in implementing the intentions and content of the Code of Conduct.

When interpreting the rules of the Code of Conduct, employees must also be guided by their own judgment and question whether a specific course of action could give rise to criticism.

All employees are required to proactively inform themselves about the laws and regulations that apply to their area of responsibility as well as internal rules and guidelines and to comply with them in full.

When recruiting and promoting new employees, we make sure that they are equipped with necessary skills to achieve and implement business objectives and to ensure that these goals are achieved in accordance with the law.

KAPSCH ensures that this Code of Conduct is fully implemented in all fully consolidated companies and holdings of the Group.

6.2 *Expectations of business partners.*

KAPSCH strives for high performance standards and corporate responsibility in all its business activities. Our business partners play a decisive role here, because they make our sustainable growth possible. We therefore expect high standards of performance and integrity from our business partners.

Our business partners must comply with applicable laws, industry regulations and contractual terms and conditions as well as generally accepted standards of social responsibility.

Before entering into a business relationship, the Kapsch Group conducts a suitability assessment of potential business partners in order to ascertain their integrity, quality standards, compatibility and credibility. This Code of Conduct is available to every business partner on the KAPSCH website www.kapsch.net

7 *Questions and information about the Code of Conduct.*

The Executive Board of KAPSCH-Group Beteiligungs GmbH is responsible for the content of the Code of Conduct.

The following persons are available to answer questions about the Code of Conduct:

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