

# BRAINLAB CODE OF CONDUCT

Dear Colleagues,

We operate profitably and with a growing footprint in the market, while acting responsibly. Both aspects – success and integrity – are connected and shape the image of Brainlab.

You have chosen to represent Brainlab, and in doing so you have taken on the responsibility to operate according to our Code of Conduct. Please read and follow this Code of Conduct carefully. It provides you with orientation, support and protects you in your daily work.

I thank you in advance for taking this responsibility seriously and representing Brainlab with pride and integrity. My colleagues on the Management Board and I are proud of employees who conduct themselves accordingly. Let us work together to uphold Brainlab's reputation.

Stefan Vilsmeier

President & CEO



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## INTRODUCTION

Brainlab's Code of Conduct focuses on prevention and supports us in the implementation of our goals and the company values of Inspiration, Integrity, Simplicity.

The Code of Conduct protects Brainlab, its employees and those who depend on us. The responsible work of a great majority of employees should not be negatively impacted by the non-compliant behavior of a few employees.

**Whom does the Code of Conduct apply to?** Our Code of Conduct is applicable to the Brainlab Group personnel worldwide, everywhere and every time: from Board members, managing directors, and executives to authorized representatives and employees at Brainlab AG and all its subsidiaries. The principles of the Code of Conduct also apply to consultants and individuals whose work is the functional equivalent of that performed by employees, such as contract workers.

This Code of Conduct does not replace your responsibility for making sound judgments and using common sense. It also does not describe all laws, company policies or job descriptions which apply or give full details on any individual situation.

Each of us should be guided by both the letter and the spirit of the Code of Conduct and when necessary, seek assistance from the various resources available to discuss questions or issues. It is much easier to avoid making a wrong choice than to clean up afterwards.

In some cases the Brainlab Code of Conduct exceeds the expectations of local laws or business standards. In other cases local laws, regulations or business requirements may be stricter than the policies set out in this Code of Conduct. In the latter cases, we expect you to follow the local law, regulation or business requirement.

In this document, the term "employee" is used to represent all affected individuals, as mentioned above.

**Consequences.** We all must obey the law, independent of whether this results in a benefit for Brainlab or not. Also, we must follow our company policies, procedures and guidelines. This is a prerequisite for our operations and continued business success.

Since Brainlab is doing business on a worldwide basis, in a highly regulated industry, employee misconduct in one country may have negative implications for Brainlab globally. Punishments for misconduct can be severe, including financial penalties, criminal convictions and ineligibility of our products to receive government reimbursement. Under many of these laws, anyone who is involved in an illegal activity can be held responsible. Every person is subject to sanctions for non-compliant behavior either by Brainlab or third parties.

**Role of Supervisors.** Supervisors are expected to be intimately familiar with this Code of Conduct and ensure that their employees understand and apply it in their daily activities. Questions or problems must be actively addressed and resolved. Supervisors serve as role models through their own actions.

Where necessary, supervisors must make clear that non-compliance can result in appropriate disciplinary measures up to and including termination of employment or third party relationships, apart from additional potential civil law or criminal law based actions.

The Code of Conduct takes precedence over any conflicting instructions given by a supervisor, and can be called upon by every employee at any time

**Asking Code of Conduct questions or reporting violations.** Brainlab employees who speak up promptly when they have a compliance question or concern are doing the right thing. Don't rely on someone else to do it. Promptly asking questions or reporting a Code of Conduct violation may likely save Brainlab from suffering serious harm. When something has already gone wrong, we need to deal with it. Ignoring problems only makes them worse.

To obtain guidance about business ethics or a compliance concern or to report a suspected, planned, or actual violation, you may speak with your supervisor, any member of management, your Human Resource representative, Compliance Officer or the Legal department.

If you like to ask a question, express a concern or report a violation, you may also use, if desired anonymously, the [Compliance Helpline](#).

Enough information should be provided to allow to investigate the matter properly. The [Integrity & Compliance Policy](#) provides the details about how such inquiries are handled and prohibits retaliation against anyone who reports a suspected violation by others in good faith.

When we follow the rules, ask questions if we are not sure, and report problems, we are helping Brainlab succeed. We are living our values.

## MUTUAL RESPECTFUL CONDUCT

Our internal and external interactions and communication should occur in a respectful manner, supporting creativity and productivity. We stand by our responsibility and are reliable partners making no promises, which we know we cannot keep.

We are cooperative in our dealings with authorities and government agencies while at the same time defending our own interests and rights. Always check with the Legal department and receive advice before responding to non-routine requests for information from a government authority.

If we discover errors in our business processes, we actively seek out dialogue with our colleagues and supervisors in order to find suitable solutions.

In no event, shall any employee be unfairly treated, disadvantaged, harassed or favored, because of race, ethnicity, color, nationality, religion, ideology, gender, age, physical characteristics, appearance, sexual orientation or other legally protected characteristics.

## SAFETY AND HEALTH

Brainlab and its employees must ensure that the working environment is safe and environmentally sound. This is to everyone's benefit. It is necessary that safety regulations and safety practices are followed, and that any threats are reported and remedied immediately.

Our products are developed, manufactured and marketed in compliance with applicable legal, regulatory and technical standards and under the strict governance of our quality management systems. We monitor our products in the market, notify the relevant authorities without delay, when necessary, and undertake the measures required to enable safe and effective use of our products. This builds our reputation and our customer's trust. Without that, we would risk the existence of our business.

## **COMPANY ASSETS**

Company assets and services, like financial funds, photocopiers, and office supplies amongst others shall be protected against loss, theft, damage, unauthorized access and shall not be used for private purposes.

## **PURCHASING**

Every Brainlab order of goods and services must go to the best bidder based on objective criteria, for example, quality, price, technical specifications and supplier reliability.

## **CONFLICTS OF INTEREST**

Brainlab trusts that all employees make business decisions based on objective criteria, and not be influenced by private interests or relationships.

Brainlab aims to avoid actual or perceived conflicts of interest, which includes avoiding situations in which a person has a private interest which is sufficient enough to create an influence over the objective exercise of his or her professional duties.

Therefore, any Brainlab employee must inform his supervisor about a potential conflict of interest without delay, so that an appropriate solution is found. Transparency is key to credibility and trust.

No employee shall pursue any self-interests within the context of their jobs which conflict with the interests of Brainlab.

A Brainlab employee may not undertake activities which are in any way in competition with Brainlab's business, nor lead or work for a company which is in competition with Brainlab.

Examples of an actual or perceived conflict of interest include:

- an employee, within the context of his or her employment at Brainlab, has influence on decisions made at Brainlab regarding a supplier or business partner that may lead to his, his family's or close friend's financial gain;
- an employee has a personal relationship or family relation to another employee directly reporting to him;
- an employee has a personal affiliation to a third party involved in pending legal proceedings with Brainlab;

- an employee who directly or indirectly holds an investment in a company which is in competition with Brainlab and has the possibility to influence the management of that company. In general, this is the case when the investment exceeds 5% of that company's total capital.

## **CONFIDENTIALITY AND DATA PROTECTION**

Intellectual property is the life-blood of a technology company such as Brainlab, and employees must therefore proactively protect against unauthorized access intellectual property, including trade secrets, patent ideas, know-how, business plans, contractual obligations, marketing or sales plans, as well as information regarding mergers or acquisitions.

Always remember that security is everyone's responsibility and not only applies to our physical property, but also to our intellectual property.

Collection, access, use or transfer of data containing personal information such as customer or employee data is allowed only within the framework of the relevant data protection regulations and as required by job function. Personal data shall be stored and transmitted securely to prevent unauthorized access, loss or premature deletion. Rights of data subjects must be respected and local data protections laws followed.

## **PUBLIC EXPRESSION OF OPINIONS**

Communication with the media, posting of public company statements, videos etc. is only allowed by authorized personnel.

Be aware of social media and the potential for leaking of company secrets, as well as regulatory requirements such as making accurate, factual statements and not using unapproved material which promotes the use of unreleased products or unintended uses.

When expressing their personal opinions in public, employees shall not give the impression that these opinions represent the views of Brainlab.

## **DOCUMENTATION AND FINANCIAL STATEMENTS**

To the best of our ability, we ensure that any data, information or records which we create or for which we are responsible, are complete, timely and fair. These can take many forms, ranging from the Brainlab annual report, quality documents, research and development data, to time sheets, personal travel expense claims and even our emails.

Brainlab must comply with applicable laws and external accounting standards. In addition, Brainlab must take measures to ensure that the information it supplies to its auditors and stakeholders, such as investors, as well as regulatory agencies and government bodies, accurately describe and reflect the true nature of our underlying transactions and financial situation.

Do not destroy documents or data required to be kept for a certain time period specified by law within the prescribed retention period.

Think before you write and decide whether it is necessary at all to create a document. Use good judgment in what you say in your messages. Avoid language that contains questionable statements and may be, although unjustified, viewed as evidence of misleading, inappropriate or illegal conduct.

## **INTERACTIONS WITH HEALTHCARE PROFESSIONALS**

In addition to the general principles outlined in this Code of Conduct, interactions with Healthcare Professionals must strictly follow our [Policy on Interactions with Healthcare Professionals](#).

## **BRIBERY**

No one acting for Brainlab is allowed to promise, offer or give any form of improper advantage, either directly or indirectly, to any individual or organization for the purpose of obtaining or retaining business. Improper advantages include illegal rebates, bribes, kickbacks, under-the-table payments and any other similar improper material benefit.

In addition, you cannot provide any size of payment which is intended to, or actually does, ensure or speed up the proper performance of a government official's routine duties (sometimes referred to as "facilitating payments"). These are prohibited.

Further, it is prohibited to finance, sponsor, or subsidize in any manner the practice of illegal activities.

No one acting for Brainlab is allowed to demand and accept any form of improper advantage, either directly or indirectly in connection with business activities.

In case you are offered such improper advantage, please report it!

Brainlab will not discipline any person for any loss of business resulting from adherence to these principles and other mandatory policies and instructions. The Code of Conduct applies globally to all transactions involving Brainlab. So called "cultural expectations" are no excuse to violate Brainlab standards and the applicable laws.

Violations must be addressed by Brainlab on a case-by-case basis and can result in termination of employment or a contractual relationship.

## **AGENTS AND DISTRIBUTORS**

Brainlab uses agents and distributors in sales related activities. Such business relationships shall only occur with reputable partners, whose activities are in compliance with applicable law and receive their funds from legitimate sources. Non-compliance caused by agents or distributors may damage the reputation of Brainlab and lead to liability and penalties. We never authorize or allow a third party representative to act improperly on our behalf.

Payments to agents and distributors shall only be made based on a written contract, for services actually performed, and must be in an appropriate relation to the service performed.



## DONATIONS AND SPONSORSHIPS

Brainlab may provide donations and sponsorships for charitable or Brainlab employees' health related purposes.

No donation or sponsorship may be offered, promised or provided in order to solicit business for Brainlab or achieve an inappropriate purpose, or be in violation of Brainlab values, policies and Code of Conduct.

Brainlab makes no direct or indirect donations for religious purposes or to political organizations, parties or individual politicians.

Any donation or sponsorship must: (1) be appropriately documented, and (2) not made to a private account. All sponsorship must be in an appropriate relation to the value being received from the sponsoring recipient.

Prior to the making of any donation, the Legal department or Compliance Officer should be consulted to ensure compliance with the foregoing.

For **Donations related to Healthcare Professionals** please see the [Policy on Interactions with Healthcare Professionals](#).

## GIFTS AND BENEFITS

Even when gifts are exchanged out of the purest motives of personal or professional friendship, they can be misunderstood and create improper influence on business decisions.

Payments in cash or cash equivalents cannot be offered or accepted.

For **Gifts to Healthcare Professionals** please see the [Policy on Interactions with Healthcare Professionals](#).

**Gifts from Brainlab to non-Healthcare Professionals** (refer to the [Policy on Interactions with Healthcare Professionals](#) for the definition) may, excluding tax, not exceed a value of EUR/USD 35 in an annual aggregate.

It is possible that certain jurisdictions may have more strict requirements, especially for public officials, and it is Brainlab's policy that you shall comply with such more strict requirements, where applicable. Public official means

- any person defined as a public official in the applicable law; an employee or consultant of a publically owned hospital or institution may for example be considered a public official under some laws;
- any person holding a legislative, executive, administrative or judicial office, whether appointed or elected;
- any person who performs a public function or provides a public service.

In the event that you would like to provide a gift or benefit exceeding the value set above, this must be approved by the Brainlab AG management board, who may grant an exception if justified.

Business meals may be offered by Brainlab employees according to the [Travel Policy](#).

**Brainlab employees** may, in connection with their employment accept occasional, unsolicited gifts for themselves, Brainlab or a third party with a value not exceeding EUR/USD 35, excluding tax, in an annual aggregate per source.

In the event that you find it inappropriate to decline a gift or benefit that does not meet the criteria set out above, this should be reported to the Brainlab AG management board, who may grant an exception if justified.

Unsolicited invitations from business partners for modest business meals may be accepted by Brainlab employees occasionally, if the purpose, venue and scope of the invitation are appropriate and conducive to business communication.

## **FAIR COMPETITION**

Competition laws – also referred to as antitrust laws – are designed to protect competition. Brainlab acts in all markets as a fair competitor.

Any kind of concerted actions, informal talks or “gentlemen’s agreements” with competitors, suppliers, customers, agents and distributors that are intended to restrict competition, or may have the effect of doing so, are prohibited. Prohibited actions are for example (a) agreements with competitors about price fixing, sales terms and conditions, lead times, margins, boycotting a customer, market strategies, allocation of sales areas/customers or market share; or (b) to exert any illicit influence on the content of tender documents, including acting as a ghost writer for a customer tender to increase the likelihood that Brainlab wins the tender.

Contractual clauses that impact resale prices, restrict use or resale, or stipulate exclusive arrangements always require legal review.

We respect confidential information, patent, copyrights and trademark rights of others and only use such rights if we obtain it by lawful means or from publicly accessible sources.

## **INTERNATIONAL TRADE CONTROL**

International trade control laws are aimed at ensuring that certain countries, organizations and persons, in particular those associated with terrorist or money laundering activity, do not receive specific goods, services or a financial contribution.

Most countries, in particular the USA and members of the EU, either prohibit or require a licence to trade internationally with sanctioned countries, organizations or persons. Brainlab requires strict adherence to these rules, such that transactions are screened for compliance with applicable trade control rules.

## **4 QUESTIONS – YOUR PERSONAL COMPLIANCE GUIDE**

In your daily work you may face situations from time to time which are not explicitly covered by Brainlab policies or guidelines.

In case you are unsure about a specific situation, you can ask yourself the following questions:

Is your decision

... compliant with Brainlab’s values and rules, including the Brainlab Code of Conduct?

... compliant with local legislation?



- ... in the interest of Brainlab?
- ... something you would like to take responsibility for and see on TV?

If you answer all questions with yes, it is likely that your activity is in accordance with this Code of Conduct. However, you should seek advice in such cases from your supervisor, the responsible department, Legal department, Compliance Officer or [Compliance Helpline](#). Contact them!