

PROSE

Code of Conduct

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Foreword

Prose, with its lean, agile, and decentralized organizational structure, serves global customers and manage growth by bringing new technologies and solutions aligned with the changing needs of customers in the telecom industry all through the way. The Prose product portfolio will uphold its tradition of the highest innovation and quality while delivering improved technology expertise and enhanced local customer support around the globe. To fully serve our stakeholders and thrive in the future, our commitment to business integrity must be just as robust as our products – this means conducting our business ethically and based on Prose’s values, and in compliance with all laws and regulations. That makes Ethics and Compliance a particularly important topic for us.

Only by strictly adhering to these standards we can avoid significant legal and economic risks to our company, and thus to us all. And in this way, we also preserve the legitimate interests of all our stakeholders – including customers, suppliers, and owners. Worldwide integrity is the basis for our sustained and future success. Prose is committed to conducting business in compliance with both the law and company regulations, and will refrain from engaging in any activities that would require them to breach these standards. Let us work together to uphold Prose’s good reputation.

Purpose

This code of conduct is designed

- To achieve the highest level of ethical conduct in the organization
- To respect human rights and abide by the law
- To regulate all operation and management behaviors
- To create a safe and fair working environment for employees
- To establish an ethics framework and foundation for business partners
- To safeguard the legitimate rights and interests of all stakeholders
- To respect social needs and promote sustainable development and environmental protection.

Business integrity and our values lead the way we conduct our business for decades. Accordingly, Prose’s Owners and Top Management consider Ethics and Compliance as a key to our business success. It is our request to all our employees and partners that our ethical values are respected and applied. Our managers are aware of their roles as models and thus bear a special responsibility in the implementation and application of our Code of Conduct.

Our business partners, suppliers and contractors shall also comply with this code of conduct or similar standards.

Applicability and Scope of the Document

This code of conduct applies to the entire operation of Prose company, including all subsidiaries, branches, offices and subsidiaries or branches directly or indirectly controlled by Prose, and all Prose suppliers.

■ Code of Conduct

1.Compliance with the law and company regulations

Prose and all its employees are bound to all respective applicable national and international laws. This includes for example payment of levies and taxes due, compliance to the required administrative acts, observing legally protected material and immaterial interests (e.g., intellectual property) of third parties as well as observing all prohibitions of criminal law, specifically in the field of money laundering and fraud. This list is not conclusive.

Insofar as there are regulations within the company (e.g., company agreements) and guidelines, all affected employees are bound observe them.

2.Fair Competition and Antitrust

Prose believes in fair competition. All employees are bound to adhere to the rules of fair competition in the countries where we do business, within the scope of the legal frameworks. PROSE especially observes the applicable competition and cartel laws, which forbid agreements or behavior that may alter or restrain trade or competition.

Irrespective of the situation, it is strictly prohibited to agree with bids, prices, terms of business, production plans, sales quotas, or market share with competitors. This also includes unofficial meetings, coordination, etc. The exchange or disclosure of commercially sensitive information relating to competitors, customers or suppliers may also violate applicable competition laws. Even the appearance of unfair competition needs to be avoided.

3.Gifts & Hospitality (esp. prohibition of corruption)

To build goodwill and acknowledge appreciation in business relationships, courtesies like gifts and hospitality are commonly exchanged with customers, suppliers, and other partners. These courtesies must reflect a normal business custom and may not influence, or give the appearance of influencing, any business decision. Good judgment should always guide us in these situations. Business courtesies are prohibited by law under certain circumstances and in certain countries. We must follow the policies that apply to us.

Gifts and hospitality include anything of value given or received for personal use as the result of a business relationship and for which the recipient does not pay fair market value. Examples include offers of goods and merchandise, promotional items (such as bags, pens, calendars, agendas, caps, watches, etc.), services, meals, travel, accommodation, entertainment (such as tickets to concerts or sporting events) as well as discounts for such goods or hospitality.

Insofar, the following rules apply:

- Gifts of cash or cash equivalents, such as gift certificates and vouchers, are never permitted.
- For presents, such as merchandise and promotional items, upper limits must comply with local laws

and with common ethically accepted practice, which is a maximum amount of USD20 at most.

- Business entertainment, including but not limited to catering and business entertainment, of customers and contractors shall be appropriate considering legitimate business interests.

Attempts of business partners or third parties to influence employees in their decisions in any unfair way (e.g., through disproportionate presents, benefits, or the like) are to be reported to the respective superior.

In the interest of full transparency and to facilitate possible audits or reviews, any giving or receiving of gifts or hospitality must be fully and accurately recorded.

4.Security, data protection & handling of confidential information

The protection of data, assets, premises, staff, visitors, information systems and telecommunications networks from hostile acts and from competitors is paramount to our success.

Prose' s sustainable business success depends particularly on using confidential information and data (both from Prose and from third parties, e.g., business partners) and its non-disclosure. Confidential information of any kind (e.g., business secrets, inventions, designs, sketches, technical or economic data) shall not be passed on to unauthorized persons – neither internally nor externally. This obligation remains in force even after the termination of any existing employment contract. In order to protect such information, this obligation to maintain confidentiality shall also be part of contracts with our business partners.

Additionally, the processing of personal data is highly regulated by law (e.g., the EU General Data Protection Regulation). Prose strictly adheres to the applicable data protection laws.

5.Quality & safety

Quality is a central concern to our company management. Its priorities are customer satisfaction, process-oriented management, failure-avoidance and continuous improvement as well as total quality management. It is important to meet customers' demands for quality, reliability, speed, and pricing.

Regarding product safety, all employees are responsible for excluding risks and dangers resulting from the use of our products for health and safety to the most possible extent. The applicable technical and legal standards and regulations shall be observed.

6.Handling of business assets

Prose' s tangible and intangible assets (e.g., products of Prose, factory and office equipment, software, patents, trademarks, logos, know-how etc.) are entrusted to the employees for a specific purpose. They serve the purpose of supporting the respective Prose employees in achieving the business goals of Prose and promoting them. These property assets shall exclusively be used for business purposes and not for personal reasons.

Attempts of business partners or third parties to influence employees in their decisions in any unfair way

(e.g., through disproportionate presents, benefits, or the like) are to be reported to the respective superior. In the interest of full transparency and to facilitate possible audits or reviews, any giving or receiving of gifts or hospitality must be fully and accurately recorded.

7.Avoiding conflicts of interest

Commercial conduct shall be oriented – independent of any possible personal interest – exclusively to the interests of the company. Any secondary employment, whether with or without remuneration, that detrimentally affects the interests of Prose is generally only allowed after prior written approval by Prose. Prose will not withhold its approval without good cause. In general, employees are to avoid conflicts of interest. If this is not possible, the employee shall inform his/her superior and the human resources department to find a fair and transparent solution.

8.Social & Ethical Responsibility

The obligation to social and ethical responsibility is an essential part of Prose's company philosophy. Prose respects and protects the personal dignity of each employee and fosters a corporate culture of fairness and mutual respect. Prose is especially committed to the requirements according to the international social and ethical standard.

All forms (verbal or physical) of harassment or discrimination against our employees, e.g., based on nationality, origins, religion, gender, age, sexual orientation, or the like is prohibited. No employee shall be disfavored because he/she exercises his/her personal rights.

This includes ban on child labor, forced labor, discrimination, bullying and physical discipline measures, safety regulations and occupational health at the workstation, adherence to legitimate regulations of working times, equitable payment system according to industrial standards and freedom of membership and collaboration in worker's representation.

9.Export Control & Customs

As a globally active company, Prose must comply with regulations that restrict the free movement of goods in its worldwide business operation, including various international and national laws, regulations and embargos to limit or ban the trade, export, or import of technologies, goods, or services as well of capital and payment transactions. Such limitations and bans may arise from the nature of the merchandise, the country of origin or end-use or the identity of the business partner. The respective laws and regulations of the countries we operate in are supplemented by company-internal restrictions regarding the intended purpose. For example, is it our rule not to take part in any activity to develop, manufacture and distribute ABC weapons.

Prose checks every order according to the criteria of diverse export lists as well as according to end-use and intended purpose irrespective of the destination. If required, the relevant permits shall be obtained, or orders shall be cancelled.

10.Sustainability & environmental protection

Sustainability and environmental protection are a major concerns of Prose, especially to ultimately increase the environmental compatibility and ecological efficiency of our products and their manufacturing processes. It is paramount to our activities to take preventative measures and to avoid environmental incidents and their causes. All employees worldwide are obliged to take care of our resources and to play active roles in sustainability and environmental protection. Prioritized targets are preservation and protection of natural resources, responsible use of raw materials, avoidance, reduction, recycling and proper disposal of harmful emissions and waste, expansion of energy supply using renewable forms of energy as well as prevention of environmentally hazardous failures and limitation of risk potential. Further, we recognize our responsibility to uphold sustainability and environmental protection with suppliers, business partners and contractors.

11.Breach of the Code of Conduct

Each PROSE employee is responsible for adhering to our Code of Conduct.

In case of doubt, any employee may contact their superior, the human resources department and/or the responsible legal/ compliance department. Employees may also contact the works council if there is one at the site at which the employee works.

PROSE enables employees to report possible breaches of the Code of Conduct or possible material violations of applicable law to the local compliance department (where there is one) or via the PROSE complaint email address.

Non-compliance, unlawful and unethical behavior can have far-reaching consequences for Top Management, management and employees, a legal entity or subsidiary or even the Prose Group as a whole. This includes criminal penalties, administrative fines, civil and punitive damages, seizure of profits, exclusion from contracts, termination of business relationships, attempted extortion, harm to our reputation and negative perceptions by the markets. Failure to act in compliance with the rules as defined in this Code of Conduct will make Prose' s employees liable to disciplinary proceedings in accordance with the provisions applicable within the company. Furthermore, any breach of these rules may render them liable to administrative, criminal and/or civil proceedings.

12.Information & training

In order to increase awareness of our Code of Conduct and to ensure its compliance, our employees are regularly trained in relevant topics in connection with this Code of Conduct. Training may take place face-to-face or via e-learning methods, and shall be part of the new employee induction process.

In addition, Prose conducts special advanced training in selected topics (e.g., in the areas of antitrust, anti-corruption, data protection etc.) on a regular basis.

13. Reporting Ethics and Compliance Incident

COMPLIANCE ORGANIZATION - To support management and employees and to drive the continuous Ethics and Compliance Program, an integrated, comprehensive, and lean organization for Ethics and Compliance is necessary. The compliance organization includes the head of compliance of the headquarters, branches, subsidiaries and affiliated companies, the top leaders of the company and the direct heads of each department.

SUPERVISION AND COMPLAINT - Every employee at Prose has an obligation to abide by our code of conduct. If you have any doubt or need, you should consult the direct superior, human resources, or legal and compliance departments; if for any reason you are not satisfied with the questions or answers you have previously raised through normal channels, you can use the complaint phone (+86 138 1013 1486) or email (complaint@prosetechnologies.com) to give real name feedback. Prose does not allow sanctions or retaliation against employees who choose to use open systems to report violations. Prose will not sanction or retaliate against employees who choose to use the Open line.

Complaint email address: complaint@prosetechnologies.com

14. Supplementary Articles

ROLE AND RESPONSIBILITY - Every employee should read and fully understand the topics described in this Prose Ethics and Compliance Policy (PECP) and observe the related recommendations that are communicated from time to time by the Compliance Organization. Perform your duties within the company with respect and integrity.

Executives and managers shall set an example to all employees of ethical conduct and compliance with laws and regulations and with the Code of Conduct, ensure that your colleagues are familiar with and understand the rules set out in this policy by regularly taking the time to explain them, be vigilant in order to prevent and detect any failure to comply with the Code of Conduct and deal with it in an appropriate and timely manner.

ATTENTION: Local management is and remains responsible for local compliance and local implementation and adherence to the Prose Ethics and Compliance Policy!

This is our commitment to integrity:

- TO OUR PEOPLE: maintain a secure, humane, and happy environment for our employees and who else work for us.
- TO OUR ENVIRONMENT: protect our environment with ecologically friendly products, production, logistics, processes.
- TO INNOVATION: drive innovation together with and for our customers.
- TO EDUCATION: develop our employees by investing in their education.
- TO OUR CUSTOMERS: customer always come first.
- TO OUR SOCIAL ENVIRONMENT: take social responsibility.
- TO CONDUCTING ETHICAL BUSINESS: base business decisions solely on the merits of clean and corruption-free business.
- TO BE RESPONSIVE: respond to employees' concerns and suggestions.

This is our commitment to comply:

- WITH APPLICABLE LAWS AND REGULATIONS.
- WITH PROSE' S GROUP POLICIES.
- WITH PROSE' S CODE OF CONDUCT.
- WITH INTERNATIONAL PRINCIPLES(the Charter of Fundamental Rights of the European Union the Universal Declaration of Human Rights, the Conventions of the International Labor Organization, the United Nations Convention against corruption,and the OECD Guidelines.)

PROSE

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