

## Rejection of Corruption

For RUAG it is both a matter of course and a declared permanent goal to observe, together with its employees, applicable laws and regulations in all its business activities.

RUAG does not tolerate corruption and refuses any kind of corrupt behavior. It supports the measures taken by the OECD countries to implement the Convention on Combating Bribery.

Therefore the following code of conduct for the avoidance of corruption is issued:

1. Nobody working for RUAG has the right or duty to make direct or indirect payments or to grant other advantages to members of international organisations or authorities, to officials or employees in the public sector or employees of private enterprises, or promise advantages to such persons, with the purpose of influencing decisions of the recipient.
2. Nobody working for RUAG has the right to let third parties which seek or maintain a business relation with RUAG promise payments or the granting of other advantages or accept them, if in turn the giver expects an advantage or is rewarded.
3. No payments may be made or presents given to elected people's representatives, political parties or their representatives, unless the payments or gifts are permitted by law, properly entered into the books, and disclosed.
4. Payments or the granting of other advantages to the members of international organisations and authorities, to officials and employees in the public sector or to employees of private enterprises are permitted, if the following requirements are met:
  - Based on local legislation the receiving person is entitled to obtain the payment or other advantage, or is under the obligation to perform an action in compensation of the advantage;
  - Payments or the granting of other advantages are within a scope considered acceptable according to local practice and it can be assumed that based on the extent of the granted advantage the recipient is not influenced and remains free to make his decision(s) as required;
  - Payments or the granting of other advantages are properly entered into RUAG's books.
5. Gifts and small presents are part of human co-existence and cannot be excluded a priori from business life. However, their value must be such that their acceptance doesn't have to be concealed and this does not lead to compulsory dependence. For both the giver and the recipient even the appearance of dishonesty and incorrectness must be avoided.

During trainings on this topic (e.g. e-learning) an approximate value concerning the permitted value for the acceptance and awarding of gifts is communicated.

6. In case of doubt the following principles are to be followed:
  - No arrangements without an actual business purpose are to be concluded.
  - All arrangements and modes of behavior are to be designed so that they (while protecting justified trade secrets) can be disclosed to the public without any legal disadvantages.
  - It must be possible to explain business processes to the employees in a simple manner.
  - In case of uncertainties or peculiarities the superior is to be informed.
  - In difficult or unclear cases, e.g. contradictions between legal provisions of different countries or ambiguous legal status, the Compliance Board RUAG is to be consulted.
  - The Compliance Board RUAG is to be consulted as well if things are requested, promised or realized by customers, suppliers superiors, subordinates or third parties, which violate the ban on corruption.
7. RUAG maintains a Compliance Board whose tasks include information, counselling, supervision and reporting.
8. RUAG operates a Whistleblower Office which can be informed of violations of the ban on corruption.

Compliance Board and Whistleblower Office of RUAG

Do you have questions?

In this case contact the RUAG-internal point of contact **compliance@ruag.com**

Would you like to point out violations of the ban on corruption?

In this case contact the Whistleblower Office RUAG **www.ruag.integrityplatform.org**

Bern, 29 October 2014

RUAG Holding AG

Hans-Peter Schwald



Chairman of the Board of Directors

Urs Breitmeier



CEO