



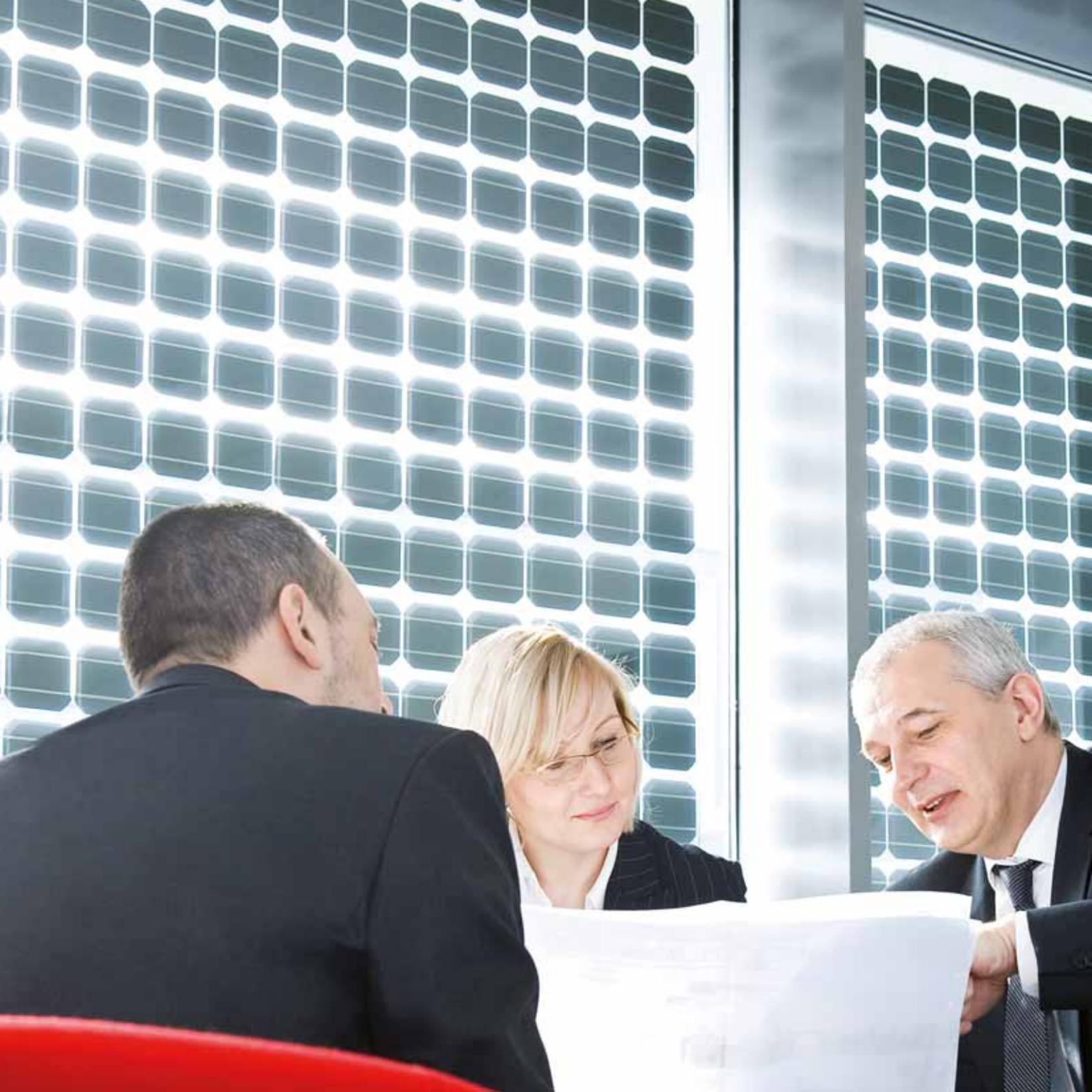
SMA Business Principles

Foreword regarding the Application and Interpretation of SMA Business Principles

Our Business Principles serve as the basis for proper conduct and are binding for all SMA employees worldwide. They apply in conjunction with all relevant laws and SMA guidelines and instructions. The Business Principles are deliberately kept brief so that they can be applied worldwide despite of diverse local requirements. In particular, they cannot, nor are they intended to, prescribe specific conduct for all conceivable scenarios that may arise in the course of your employment with SMA. Consequently, just because something is not expressly forbidden by our Business Principles does not mean it is allowed. You are thus called upon to seek out advice when you are unsure about the legality of certain conduct or actions. If you have any questions, please ask your executive or compliance officer or call the Compliance Help Line. For contact information, please see the back cover of this brochure.

In addition to the Business Principles listed on the left, this brochure also offers explanations and examples to help you better understand what is expected of you.

Your compliance officer is not only available to answer your questions, but also to assist you with any concerns regarding the legality of certain business transactions or activities, whether present or in the past. The Compliance department will take the necessary steps and will support our employees with advice and assistance from the very onset. SMA takes your concerns very seriously and will not tolerate any discrimination of employees who voice valid concerns. SMA is likewise very serious about protecting the personal rights of those who are affected by such concerns. Confidentiality and the absence of prejudice are essential to ensuring a fair work environment.



Business Principles: An Overview

1 | We will always keep our personal interests separate from the interests of the company.

2 | We will never abuse our position for personal benefits.

3 | We will never provide anyone with undue advantages.

4 | We will treat all information related to the company as strictly confidential.

5 | We will observe all data protection laws and regulations.

6 | We will adhere to the rules of fair competition.

7 | We will protect the property of SMA, including intellectual property.

8 | We embrace diversity, equality of opportunity and tolerance.

9 | We promote fair and safe working conditions.

10 | We protect the environment.

1. Handling conflicts of interest in the right way

In our work, we always act in the best interests of SMA. In respect of business decisions SMA's interests take precedence over our own. As far as possible, we make sure that no conflicts arise between our personal interests and the interests of SMA.



For us, loyalty and trust are not empty words.

This principle is intended to prevent employees from making business decisions based on their own personal interests rather than the interests of SMA, thereby damaging SMA. Examples of such conflicts of interest include holding substantial shares in a company that does business with SMA, or attaching greater importance to the success of one's own department, and thus to one's own personal success, than to the interests of SMA as a whole. We must also be careful in our professional dealings with friends or relatives.

If you find yourself in a conflict of interest, or if you are unsure of whether such a conflict of interest may exist, please let your executive manager or compliance officer know so that an appropriate and transparent solution can be found.

2. Requesting and accepting personal benefits

We never request a personal benefit from a business partner of SMA. We always refuse a personal benefit if it might be intended to influence a business decision. This applies to gifts, invitations and any other benefit.



We cannot be bought.

In our work for SMA, we must not allow ourselves to be influenced by gifts, benefits or invitations. Even the appearance that we might be bribed must be avoided. In addition to the danger of criminal prosecution, anyone who can be bought is vulnerable to blackmail and no longer able to act independently. Furthermore, even an accusation of corruption can cause serious damage to SMA's public reputation.

But at what point is caution called for? How about accepting a plastic pen with the customer's logo? That's certainly not a problem. Nor is going to a customer's cafeteria for lunch. There is no need to feel guilty about accepting a CD as a Christmas present from a business partner and using it as a prize at the SMA raffle. But any qualms we may have about more valuable or more frequent gifts are an indication that we are entering a danger zone. This is also true in the case of invitations that focus on our personal enjoyment rather than business purposes.

Our guidelines concerning gifts and hospitality provide information on whether it is permissible to accept gifts or invitations in individual cases. When business partners attempt to exert influence in this manner, the relationship should be reviewed.

Your executive manager and compliance officer are available to answer any questions.

3. Offering and granting personal benefits

We never offer or grant any personal advantages, such as by giving someone a gift, in order to gain preferential treatment for SMA. Nor is it permissible to make unlawful payments to facilitate any action by authorities. Even the appearance of seeking improper influence must be avoided.



Bribery? Unacceptable.

We relate our customers with our products and services. We win contracts by engaging in fair competition, not by offering improper benefits. Corruption leads to severe criminal penalties for the SMA employee involved, and can also cause considerable damage to SMA itself.

Of course, not every invitation to dinner or thoughtful gesture, such as a small gift, is prohibited. A common feature of permissible benefits is that they are offered openly and transparently; the type of gift and its value are also appropriate. However, it is often difficult to draw the line between a permissible courtesy and corruption. Accordingly, it is important to clarify in advance that the intended benefit is lawful, and that the recipient is permitted to accept it. We never offer gifts, hospitality or other benefits if they might appear inappropriate.

Your executive manager and compliance officer are available to answer any questions.

4. Protecting the confidentiality of SMA information

It is important to maintain strict secrecy regarding confidential SMA information. Confidential information must not be passed on to third parties or made accessible in any other way without authorization. Confidential SMA information must not be used for one's personal benefit or for the benefit of third parties.



SMA must be able to rely on us to maintain confidentiality.

Protecting the company's confidential information is critical to our business success. We need to protect our expertise and our competitive position. Moreover, thoughtless statements in public can damage SMA's reputation. Violations can also have serious consequences for individual SMA employees. In a worst-case scenario, a violation of the law governing insider dealings – using confidential information in purchasing SMA shares, for instance – can result in a prison sentence. “Confidential information” is any information that is not public knowledge, for example regarding our internal processes, the utilization of production capacity, pricing, our expertise and so on.

Confidentiality also applies to our dealings with friends and relatives. In addition, we must take measures to prevent third parties from gaining unauthorized access. To that end, strict compliance with our guidelines on IT security is particularly important. In our business dealings, we always protect confidential information by concluding confidentiality agreements, and we treat private information obtained from business partners with equal confidentiality. Any public statement to members of the press or analysts must be cleared with Corporate Communications.

Your executive manager and compliance officer are available to answer any questions.

5. Data protection

We treat the personal data of our colleagues, customers and business partners responsibly and comply with prevailing data protection regulations. We maintain data secrecy. It goes without saying that our company protects the data entrusted to it from abuse, forgery, destruction or dissemination to unauthorized parties.



We can trust SMA with our personal data. That trust is mutual.

Maintaining strict confidentiality is particularly important for data protection. SMA employees entrusted with personal data are permitted to process such data only within the context of their responsibilities, and they must take appropriate technical and organizational steps to protect the data from any type of wrongful use.

This applies to all personal data used for business purposes, including data concerning job applicants or business partners. Personal data include name, address, occupation and date of birth, as well as information on assets, background, health and memberships in organizations (such as unions).

Data protection can only be effective if all parties are aware of the sensitivity of this issue and handle data accordingly. It is our responsibility to be informed about our rights as well as our obligations in the area of data protection.

Your supervisor and compliance officer are available to answer any questions.

6. Complying with the law governing competition

We strictly obey competition and antitrust law. In particular, the law prohibits agreements with competitors and coordinated actions, such as price fixing or dividing up customers or markets. Disclosing relevant confidential information to competitors is also a violation of antitrust law. Dealings with suppliers and customers, too, are subject to a number of prohibitions under competition law. In particular, we are not allowed to limit, in impermissible ways, our customers' freedom to set prices and select distribution channels.



We play fair.

Competition and antitrust law stipulates that competitors may not coordinate their market behavior, as this might interfere with fair and free competition. Violations of the law governing competition may result in substantial financial penalties, and they may have serious consequences for individual SMA employees.

We never discuss the following with our competitors: prices, offers, costs, margins, sales conditions, contract territories, customers and product family classifications, production, capacity utilization, sales volume or other confidential information of relevance for competition.

Because of our market position, special rules often apply. For example, it may be considered abuse of a dominant market position if a company treats suppliers or customers differently for no substantive reason or imposes inappropriate conditions for purchases or sales.

Corporate Legal should be consulted without delay if there is any doubt. The advice of Corporate Legal must be obtained prior to any planned contact with competitors, as well as before introducing relevant measures affecting purchases or sales.

7. Protecting SMA property, including intellectual property

We take a careful, frugal and protective approach when dealing with SMA property. This includes protecting assets against loss, theft or damage. To that end, we also follow regulations governing IT security.

We protect our expertise as well as our patents, brands, copyrights and any other proprietary information. Furthermore, we respect the proprietary rights of others.

Business documents are exclusively the property of SMA; their creation and storage are governed by the law and internal regulations.



In protecting SMA property, we act like owners.

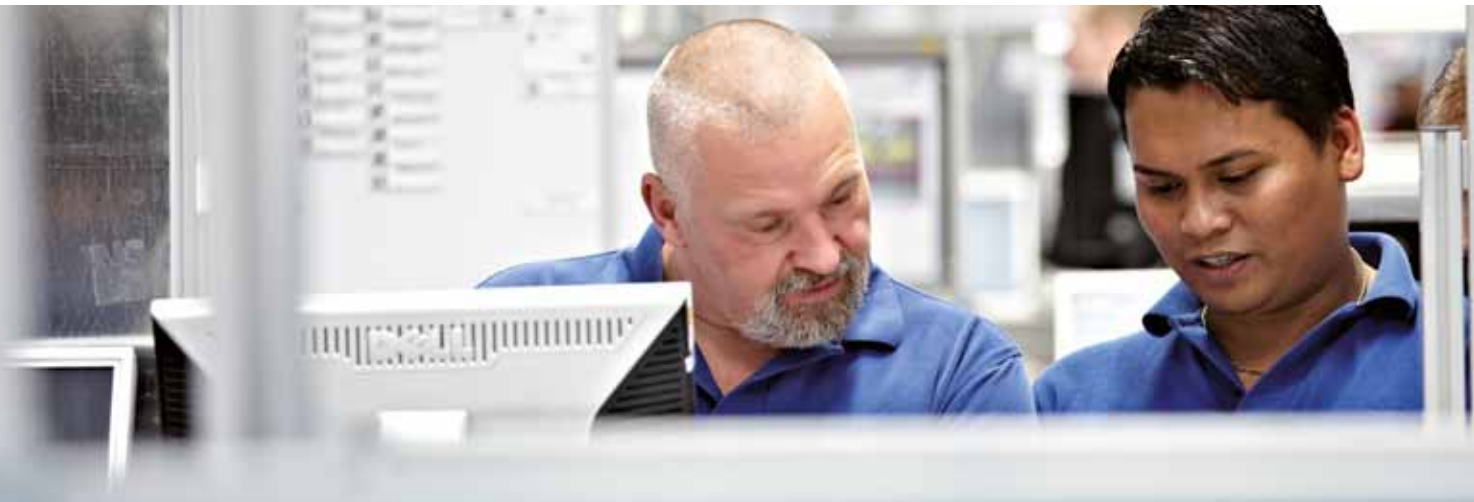
Genuine participation means taking responsibility. This means that just like an owner, everybody is expected to treat SMA property with care and protect it from damage or loss.

Accordingly, we must take the appropriate precautions, which includes strictly complying with company guidelines for IT security and taking all necessary measures to prevent theft. In our business dealings, we also conclude confidentiality agreements to protect proprietary information.

Your executive manager and compliance officer are available to answer any questions.

8. Diversity, equality of opportunity and tolerance

We stand for a corporate culture that respects personal rights of others and is free from harassment, bullying and prejudice. Our working relations are characterized by mutual trust and fairness. We refrain from any direct or indirect discrimination, particularly with respect to an individual's origin, skin color, religion, world-view, disability, age, sexual identity or gender. We seek to ensure that our employees enjoy equal opportunities, and we promote a culture of diversity.



We live the SMA corporate culture – everywhere, and every day.

Our SMA corporate culture is built on a foundation of open communication at every level and is reflected in our corporate goals. We work together to make changes, allow individuals room to shape their own work, and emphasize fairness, equal treatment and respect. We welcome the diverse cultures of our colleagues.

A hostile and discriminatory work atmosphere develops in subtle ways. Workplace bullying, too, starts with minor incidents. Please step in immediately if you notice that an SMA colleague is being subjected to unacceptable treatment, perhaps by being made the target of offensive jokes. Your executive manager and compliance officer are available to provide support or answer any questions.

9. Fair and safe working conditions

SMA's highest priority is to protect life and preserve health. All other requirements of day-to-day operations are subordinate to that goal.

SMA is committed to maintaining fair working conditions worldwide and has pledged to uphold the principles of the United Nations Global Compact. These include, among others, a commitment to the freedom of association and the right to collective bargaining. Moreover, SMA supports the elimination of all forms of forced and compulsory labor and the abolition of child labor. SMA works only with suppliers and service providers that also honor these principles.

SMA ensures workplace safety and protection for health on the job. As employees and executives, we comply with local regulations governing occupational safety and health, including rules on working hours, and together we are contributing to a working environment that is steadily improving.

Every SMA employee can help.

As SMA employees, we help the company comply with the above-mentioned principles and obligations in our everyday work environment. Please take action if you notice any violation of the principles of fair and safe working conditions, whether at our company or by one of our suppliers. In that case, notify your executive manager or compliance officer.

All employees are obligated to perform their duties in a manner that does not endanger their colleagues, third parties or the environment. The relevant authorities should be notified immediately in the event of an accident, operational disturbance or other dangerous condition, so that any dangers can be averted as quickly and efficiently as possible and damage can be kept to a minimum.

10. Protecting the environment

We uphold the laws that are in force to protect the environment. Every single day, we are careful to consider the environment when carrying out our work. Our work processes are not permitted to lead to an improper impairment or damage of the environment. Even during the product development stage, we keep in mind possible consequences for the environment.



Environmental responsibility is the foundation of our business model.

All of us can make sure that the environmental impact of our work is kept to a minimum – whether by conserving resources, such as energy, showing caution in dealing with environmentally harmful materials or reducing waste.