



## Business Conduct Guidelines

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## A. Basic Behavioral Requirements

### A 1. Behavior which Abides by the Law

Observance of the law and the legal system is a fundamental principle for our Company. Every Qimonda-Employee shall obey the laws and regulations of the legal systems within which they are acting. Violating the law must be avoided under all circumstances.

Regardless of the sanctions foreseen by the law, any Qimonda-Employee guilty of a violation will be liable to disciplinary consequences because of the violation of his/her employment duties.

## **A 2. Responsibility for the Image of Qimonda**

To a substantial degree, the image of Qimonda is determined by our actions and by the way each and every one of us presents and conducts himself/herself. Inappropriate behavior on the part of even a single Qimonda-Employee can cause the Company considerable damage.

Every Qimonda-Employee should be concerned with the good reputation of Qimonda in each country. In all aspects of performing his/her job, every Qimonda-Employee must focus on maintaining the good reputation of, and respect for, the Company.

## **A 3. Work Related Standards and Principles**

We respect and observe the internationally proclaimed human rights, including the rights to personal dignity and privacy. We shall not condone human rights abuses.

We shall not permit work carried out by persons under the age of 15. Exceptions apply to employment relationships in developing-countries operating under the International Labour Organization Convention 138 (minimum lowered to 14) or to governmental authorized job trainings or apprenticeship programs that would clearly benefit the persons participating.

We are against any form of forced labor.

At Qimonda, we work together with women and men of various nationalities, cultures, religions and races. Hence we will not tolerate any discrimination, harassment or offence based on race, color, national origin, gender, religion, age, disability, union or political affiliation, sexual orientation, marital or family status. Any forms of sexual harassment, corporal punishment, physical coercion and verbal abuse are prohibited, as well as any intimidating hostile or offensive conduct that interferes with a Qimonda-Employee's work performance.

These principles shall apply to both internal cooperation and conduct towards external partners.

We recruit, select, train, promote and compensate Qimonda-Employees solely on the basis of work-related criteria such as merit, experience and performance. Every Qimonda-Employee must be fairly compensated for their work with wages that meet at least minimum legal standards. Furthermore, we ensure that national and local regulations and agreements on working hours are being adhered to.

## **A 4. Management, Responsibility, and Supervision**

Every manager bears responsibility for the Qimonda-Employees entrusted to him/her. Every manager must stand out through exemplary personal behavior, performance, openness, and social competence. He/she agrees upon clear and ambitious goals with the Qimonda-Employees entrusted to him/her, leads by trust and confidence and leave the Qimonda-Employees as much individual responsibility and leeway as possible. Every manager shall also be accessible in case Qimonda-Employees wish to discuss a professional or personal problem.

Every manager must fulfil duties of organization and supervision.

It will be the responsibility of every manager that there is no violation of laws within his/her area of responsibility which proper supervision could have prevented or rendered more difficult. The manager still remains responsible, if he/she delegates particular tasks.

The following shall apply in particular:

- The manager must carefully select the Qimonda-Employees for their personal and professional qualifications. The duty of care increases with the importance of the obligation to be entrusted to the Qimonda-Employee (duty of selection).
- The manager must formulate the obligations in a precise, complete and binding manner, especially with a view to compliance with provisions of the law (duty of instruction).

- The manager is responsible for ensuring that compliance with provisions of the law is monitored on a constant basis (duty of monitoring).
  - The manager must clearly communicate to the Qimonda-Employees that violations of the law are disapproved and will have employment consequences.
  - The manager should encourage any Qimonda-Employee who is unsure whether he or she is taking the proper legal or ethical course of action to discuss with the manager the best course of action to be taken. If the Qimonda-Employee, after discussion with the manager, still questions the propriety of the course of action to be taken, the Qimonda-Employee should be encouraged to speak with the manager's supervisor or with the Compliance Officer.
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## **B. Treatment of Business Partners and Third Parties**

### **B 1. Following Fair Business Practices**

Our Company's reputation depends not only on how successful we are financially. It also depends on how we treat the people we deal with every day in the conduct of our business. Every Qimonda-Employee, officer and director of the Company is therefore encouraged to deal fairly with the Company's customers, suppliers, competitors, business partners and employees of each of these. No one should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts and any unfair-dealing practice.

### **B 2. Abiding by Fair Competition and Anti-Trust Laws**

Every Qimonda-Employee is obliged to abide by the rules of fair competition and anti-trust laws. Anti-trust evaluation can be difficult in individual cases. However, some types of behavior regularly constitute a violation of anti-trust laws, e.g.:

Qimonda-Employees and competitors may not have talks in which information about prices is exchanged or prices or capacities are arranged. It is also prohibited to enter into an agreement not to compete with a competitor, to submit bogus offers for bidding or to divide up customers, territories, or production programs.

Qimonda-Employees must not exert any influence upon the resale prices charged by our purchasers, nor may they attempt to put through export or import prohibitions.

### **B 3. Offering and Granting Advantages**

We battle for orders with the quality and the price of our innovative products and services. Qimonda-Employees may not directly or indirectly offer or grant unjustified advantages to others in connection with performing their job.

Qimonda-Employees must select client gifts to business partner so as to avoid any appearance of bad faith or impropriety in the mind of the recipient. In cases of doubt, the recipient should be asked to obtain prior permission for the gift from his/her supervisor.

Gifts must not be made to public officials or other civil servants, unless they are permitted under the relevant local laws.

Qimonda-Employees concluding contracts with consultants, intermediaries, agents, or comparable third parties must see to it that these also do not offer or grant unjustified advantages.

### **B 4. Demanding and Accepting Advantages**

Qimonda-Employees may not use their job title to demand, accept, obtain, or be promised advantages. This does not apply to the acceptance of occasional gifts of insignificant value, but any other gifts must be refused or returned.

## **B 5. Special Rules for Awarding Contracts**

Qimonda-Employees whose work involves the awarding of contracts must particularly abide by the following rules:

- The Qimonda-Employee must inform his/her supervisor of any personal interest he/she could possibly have in connection with the execution of his/her professional duties.
- There must be no unfair discrimination for or against any suppliers in their competition for contracts.
- Invitations from business partners may only be accepted if the occasion and scope of the invitation are appropriate and if refusing the invitation would be discourteous.
- Gifts from business partners must be refused and returned unless they are occasional gifts of insignificant value.
- No Qimonda-Employee may have private orders fulfilled by companies with which he/she has company business dealings if he/she could derive any advantage therefrom.

This is particularly applicable if the Qimonda-Employee exercises or is capable of exercising a direct or indirect influence upon having that company receive a contract from Qimonda AG or one of its subsidiaries.

## **B 6. Donation**

As a Corporate Citizen, Qimonda makes monetary or product donations for education and science, art and culture, and public welfare. Our offices receive requests for donations from the most varied of organizations, institutions and associations. The following rules apply to granting donations:

- Applications for donations submitted by individuals are to be rejected in principle.
- Payments to private accounts are inadmissible.
- In no case may the grant be made to any person or organization that would damage our reputation.
- The donation must be transparent. The recipient of the donation and the recipient's actual use thereof must be known. One must at any time be able to justify the reason for the donation and its use for the purpose served thereby.
- The donations should be tax-deductible.

Quasi-donations are prohibited as violating the principles of transparency. Quasi-donations are grants which are intended to look like compensation for a particular performance, but the compensation is substantially greater than the value of the performance. At least in part, it is thus a matter of a grant for other purposes.

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## **C. Avoiding Conflicts of Interest**

The Company considers it important to prevent its Qimonda-Employees from succumbing to conflicts of interest or of loyalty in their professional activities. Such conflicts can come about if an Qimonda-Employee is active on behalf of, or has interests in, another company. The following rules thus apply for all of us.

### **C 1. Prohibition of Competition**

It shall be prohibited to operate a company or other business which competes in whole or in part with Qimonda AG or any of its subsidiaries.

## C 2. Interests Held in Companies

### I. Definitions

"Associated Companies" are companies in which Qimonda AG is entitled to more than 20 % up to a maximum of 50 % of the voting rights, whether directly or indirectly.

"Business Partner's Enterprises" are companies that have customer or supplier relationships with or have entered into or have concrete intentions of entering into another cooperation with Qimonda AG or one of its Group Companies.

"Competing Companies" are companies that compete with Qimonda AG or one of its Group Companies, whether in whole or in part.

"Group Companies" are companies in which Qimonda AG is entitled to the majority of the voting rights, whether indirectly or directly.

"Venture Companies" are companies not quoted on the stock exchange - or an association of companies not quoted on the stock exchange - that are involved in high risk business with great potential, and for which the capital was made or is intended to be made available by Qimonda AG directly or indirectly, in whole or in part.

### II. Interests Held in Companies Not Listed on the Stock Exchange

It is not permitted to hold interests in a Competing Company not listed on the stock exchange. Prior permission is required to hold interests in the following non Competing Companies not listed on the stock exchange:

- Business Partner's Enterprises;
- Group Companies;
- Associated Companies;
- Venture Companies

Permission will be granted by the appropriate member of the managing board or of the board of directors of the relevant Qimonda Group Company and documented in the personnel file. Subject to the exceptions defined in the Company's Corporate Rule "Interests Held in Other Companies or Activities Performed on Behalf of Other Companies" permission shall be withheld or withdrawn if the Qimonda-Employee has business dealings with the company in question.

Any of the aforementioned interests hold by close family (spouses, children and domestic partners sharing the same address) must be communicated to the HR Department.

### III. Interests Held in Companies Listed on the Stock Exchange

The holding of an interest in **Competing** Companies listed on the stock exchange is permitted if said interest, including any interest held by close relatives, does not exceed 1 % of the capital stock.

Subject to the exceptions defined in the Company's Corporate Rule "Interests Held in Other Companies or Activities Performed on Behalf of Other Companies" the holding of an interest in the following "non-competing companies listed on a stock exchange":

- Group Companies
- Associated Companies
- Business Partner's Enterprises
- Former Venture Companies

is not permitted if the Qimonda-Employee has official business dealings with the company **quoted on the stock exchange**, or he is in a position to exert an influence upon the business policy of Qimonda

AG or its Group Companies with regard to said company.

Any such interests held by close family members (spouses, children and domestic partners sharing the same address) must be communicated.

### **C 3. Sideline Work**

Anyone who intends to begin paid sideline activities must inform the HR Department beforehand in writing. Permission for such activities may be denied if it leads to a decrease in work performance, contradicts the Qimonda-Employee's duties within the Company, or threatens to present a conflict of interest. Occasional writing activities, lectures and comparable occasional activities are not deemed to be sideline activities.

For employees in the United States of America, please also see the [North America Addendum](#) (under Section I below).

### **C 4. Use of Corporate Opportunities**

No Qimonda-Employee shall take personal advantage of a business opportunity that he or she becomes aware of as a result of his or her working for the Company, unless such business opportunity has first been offered to the Company and rejected by the Company. Any such business opportunity should be presented first to the supervisor of the Qimonda-Employee's manager. The Company will respond promptly to any such opportunity presented.

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## **D. Handling of Company Property**

Equipment and other assets of Qimonda (such as telephones, copying machines, printer, PCs inclusive software and Internet/Intranet, tools) are to be used only for company business. Exceptions and payment, if applicable, can be agreed upon locally. In no case may any information be retrieved or transmitted which incites racial hatred, glorification of violence, or other criminal acts, or contains material which is sexually offensive within the respective cultural background.

Qimonda-Employees shall not without the consent of their superior make records, databases, video and audio recordings or reproductions, unless this is directly related to Company business.

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## **E. Handling of Information**

### **E 1. Records and Reports**

Open and effective cooperation requires accurate and truthful reporting. This applies equally to the relationship with investors, Qimonda-Employees, customers, and business partners, as well as with public and all governmental offices.

Any records and reports produced internally or distributed externally must be accurate and truthful. According to proper bookkeeping principles, data and other records must always be complete, correct, and appropriate in terms of time and system. The requirement of truthful statements applies to expense accounts as well.

### **E 2. Confidentiality**

Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers or business partners if disclosed.

Confidentiality must be maintained with regard to such confidential information, especially internal corporate matters which have not been made known to the public. As an example this includes matters of business, manufacturing, research and development and internal reporting figures as well as details concerning the Company's organization and equipment.

Confidentiality must also be maintained with respect to any confidential information of our customers and business, unless disclosure of such information has been expressly permitted.

The obligation to maintain confidentiality shall extend beyond the termination of the employment relationship.

### **E 3. Information Security and Data Protection**

The advantages of electronic communication and storage of data are tied to risks in terms of personal privacy protection and data security. Effective foresight with regard to these risks is an important component of IT security management, leadership tasks and also of the behavior of each individual.

According to the German Federal Data Protection Act (BDSG) or similar regulations in the relevant countries Qimonda-Employees may not collect, process or use unauthorized personal data which they become aware of in the course of their job. High standards must be ensured with regard to data quality and in technical protection against unauthorized access. The use of the data must be transparent for those concerned; and the rights of the latter must be safeguarded with regards to information and correction and, if applicable, to objection, blocking, and deletion.

### **E 4. Insider Trading Rules**

All Qimonda-Employees world-wide are bound to observe the applicable statutory rules as well as the internal insider rules, if they are in possession of Insider Information which may effect the value of Qimonda Securities.

- "Qimonda-Securities" are shares of Qimonda AG, warrants and options on shares of Qimonda AG (including comparable derivative financial products), bonds and securities which can be exchanged into shares of Qimonda AG like, e.g. convertible bonds.
- "Insider Information" is concrete information not generally known to the public and which is likely to have significant influence on the price of listed securities if it is placed in the public domain, e.g. information on acquisitions, disinvestments, operational results or operational expectancies. Such information may also pertain to events which lie in the future, if it is only likely that they may sometime occur.

Statutory insider rules prohibit (i) the use of Insider Information to conduct transactions in Qimonda-Securities on one's own or third parties' account, (ii) to pass on or to make available Insider Information to third parties, and (iii) to recommend, on the basis of Insider Information, to trade in Qimonda-Securities or to otherwise induce someone to do so.

With respect to Qimonda's internal insider rules reference is made to the Corporate Rule "Insider Law" and the related leaflet. These documents also contain further details to the statutory insider rules.

It should be noted, that managers can be held personally liable for damages if an Qimonda-Employee violates insider rules and if proper supervision could have prevented such violation.

Due to mandatory statutory provisions Qimonda is obliged to keep permanently updated records of all persons acting for Qimonda, who have, on the basis of their position or their type of job, access to Insider Information. Upon request inspection into this so-called "Insiderverzeichnis" (Insider Register) must be allowed to the relevant authority, the "Bundesanstalt für Finanzdienstleistungsaufsicht" (BaFin).

## **E 5. Concerns Regarding Accounting or Auditing Matters**

Qimonda-Employees with concerns regarding questionable accounting or auditing matters or complaints regarding accounting, internal accounting controls or auditing matters may confidentially, and anonymously if they wish, submit such concerns or complaints in writing to the Compliance Officer and the General Counsel (see "[Reporting and Compliance Procedures](#)" under Section G below).

All such concerns and complaints will be forwarded to the Investment, Finance and Audit Committee of the Supervisory Board, unless they are determined to be without merit by the General Counsel and Chief Financial Officer of the Company. In any event, a complete record of all complaints will be provided to the Investment, Finance and Audit Committee each fiscal quarter.

The Investment, Finance and Audit Committee will evaluate the merits of any concerns or complaints received by it and authorize such follow-up actions, if any, as it deems necessary or appropriate to address the substance of the concern or complaint.

The Company will not discipline, discriminate against or retaliate against any Qimonda-Employee who reports a complaint or concern unless the Qimonda-Employee is found to have knowingly and wilfully made a false report.

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## **F. Environmental Protection, Health and Safety**

### **F 1. Environmental Protection**

We are dedicated to the protection of the environment. Environmental protection at our Company is an on-going process of continuous optimization of our environmental management system according to ISO14001 and a comprehensive approach involving communication, research and development of new products, operation of our plants and facilities as well as education and motivation of the Qimonda-Employees and our business partners. All products, equipments and materials purchased, plants installed, and services rendered by our subcontractors and suppliers must fulfill our environmental protection requirements.

We strive to restrict the environmental impact of our activities to an absolute minimum. Ecological responsibility and economic successes are not contradictory expressions, but rather synergetic approaches in terms of resource use and waste management. We adhere to the general principle that the sustainable effects of our actions relating to environmental protection should take precedence over any short-term advantages. Starting with the development phase of our products and throughout the production processes, we evaluate the possible effects of our activities on the environment and implement measures designed to assure sustainability regarding environmental protection.

We are committed to the establishment of working conditions which prioritize environmental protection. The involvement of each Qimonda-Employee, in all fields and at all levels, is a decisive factor towards ensuring effective environmental protection. Thus, each Qimonda-Employee is required to strictly adhere to the environmental regulations applicable to their respective activities.

### **F 2. Occupational Safety and Health**

We are committed to providing a safe and healthy working environment for all our Qimonda-Employees. Consequently we aim to minimize all risks and hazards at all workplaces in order to protect the health and well-being of Qimonda-Employees, contractors, and visitors. In this regard we have adopted comprehensive safety and health standards combining environmental protection, occupational safety, fire prevention and health care. Occupational safety and health care are subject to continuous learning and subsequent improvements, including adequate health and safety training on a regular basis for Qimonda-Employees.

Our occupational safety measures prescribe a precautionary approach. All Qimonda-Employees have to comply with these occupational safety measures and actively contribute to the improvement of

related processes. All Qimonda-Employees are obliged to act in a safety-conscious manner.

### **F 3. Protection of Property, Operations and Assets**

We are committed to protect our property, operations and assets and to ensure operational integrity by appropriate measures and processes. Each Qimonda-Employee is obliged to adhere to these measures and processes and actively contribute to subsequent improvement in his or her field of activity.

### **F 4. Product Safety**

Our efforts to provide our customers with products and services which fulfill their needs is only surpassed by our commitment to design, manufacture and market products which are safe, both in terms of intended use and disposability.

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## **G. Reporting and Compliance Procedures**

Every Qimonda-Employee has the responsibility to ask questions, seek guidance, report suspected violations and express concerns regarding compliance with these Business Conduct Guidelines. Any Qimonda-Employee who knows or believes that any other Qimonda-Employee or representative of the Company has engaged or is engaging in Company-related conduct that violates applicable law (e.g. securities laws, antitrust laws, environmental laws) or these Business Conduct Guidelines should report such information to his or her supervisor or to the responsible Compliance Officer as described below and in more detail in the Corporate Rule "[Policies Regarding Complaints and Concerns on Business Conduct Matters](#)".

Reporting of violations of the Business Conduct Guidelines can be made on a confidential or anonymous basis by contacting the responsible Compliance Officer by telephone, fax, mail, intranet or e-mail.

Reporting of such conduct may be made openly or anonymously without fear of retaliation. The Company will not discipline, discriminate against or retaliate against any Qimonda-Employee who reports such conduct in good faith, whether or not such information is ultimately proven to be correct, or who cooperates in any investigation or inquiry regarding such conduct. Any supervisor who receives a report of a violation of this Code must immediately inform the responsible Compliance Officer.

If the Compliance Officer receives information regarding an alleged violation of these Business Conduct Guidelines, he/she shall

- (a) evaluate such information,
- (b) inform the Chief Executive Officer/Managing Director of the respective Qimonda company of the alleged violation, if the alleged violation involves an executive employee ("leitender Angestellter", Global Grade 16 and above), or inform the General Counsel of the respective Qimonda company of the alleged violation, if the alleged violation involves the Chief Executive Officer/Managing Director or another member of the Management Board, who shall inform the Chairman of the Supervisory Board/Board of Directors of the respective Qimonda company, unless he/she determines that such complaint or concern is without merit,
- (c) determine whether it is necessary to conduct an informal inquiry or a formal investigation and, if so, initiate such inquiry or investigation and
- (d) report the results of any such inquiry or investigation, together with a recommendation as to disposition of the matter, to the respective General Counsel for action, who shall report the results of any such inquiry or investigation to the Chairman of the Supervisory Board/Board of Directors of the respective Qimonda company, if the alleged violation involves the Chief Executive Officer/Managing

Director or another member of the Management Board. Qimonda-Employees, officers and directors are expected to cooperate fully with any inquiry or investigation by the Company regarding an alleged violation of law or these Business Conduct Guidelines. Failure to cooperate with any such inquiry or investigation may result in disciplinary action, up to and including discharge.

The respective Qimonda company shall determine whether violations of these Business Conduct Guidelines have occurred and, if so, shall determine the disciplinary measures to be taken against any Qimonda-Employee who has violated these Business Conduct Guidelines.

In the event that the alleged violation involves an executive employee ("leitender Angestellter", GG16 and above) or the Chief Executive Officer/Managing Director or another member of the Management Board, the Chief Executive Officer or the Supervisory Board/Board of Directors of the respective Qimonda company (whatever is the appropriate), shall determine whether a violation of these Business Conduct Guidelines has occurred and, if so, shall determine the disciplinary measures to be taken against such executive employee or Chief Executive Officer/Managing Director or member of the Management Board.

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## **H. Implementation and Controlling**

The management of Qimonda AG and its Group Companies throughout the world shall actively foster the widespread distribution of the Business Conduct Guidelines and see to it that they are implemented permanently.

Compliance with the law and observance of the Business Conduct Guidelines shall be monitored worldwide in all companies of the Qimonda group on a regular basis. This shall be done in accordance with the national procedures and legal provisions affected.

By implementation of these Business Conduct Guidelines Compliance Officers are specially designated at Qimonda AG and at the major Group Companies.

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## **I. North America Addendum**

The Qimonda North America Board has adopted the Qimonda Global Business Conduct Guidelines. However, the Board is also aware that what is valid for some countries is not for another, and this holds true for several elements of these guidelines. This addendum has been prepared to further clarify sections of the Global Guidelines to reflect local culture. It further defines the behaviour expected of all of North America employees.

### **Section C. 3. (Sideline Work)**

Section C.3. of the Global Business Conduct Guidelines states that "Anyone who intends to begin paid sideline activities must inform the HR Department beforehand in writing. Permission for such activities may be denied if it leads to a decrease in work performance, contradicts the Qimonda-Employee's duties within the Company, or threatens to present a conflict of interest."

Per this addendum, Qimonda-Employees in North America will not be required to inform, or seek the permission of, the HR Department before beginning paid sideline activities. Each Qimonda-Employee in North America, however, will be under a duty to avoid any such work that will negatively affect work performance, contradict the Qimonda-Employee's duties within the Company, or threaten to present a conflict of interest.