

Business Code of Conduct

Introduction

Underpinning NXP's commitment to responsible corporate citizenship and the pursuit of a sustainable future – economic, social and environmental – the Business Code of Conduct sets out guiding principles on integrity and ethics in business conduct. It governs NXP's business decisions and actions throughout the world and applies equally to corporate actions and to the behavior of individual employees in conducting NXP's business¹. It is subject to applicable laws.

The Business Code of Conduct is not all-encompassing, but formulates minimum requirements of behavior. It leaves business units and country management free to specify further local rules of business conduct. To drive the practical deployment of the Business Code of Conduct, a set of Directives have been published, which are applicable to all employees. There are also separate Directives, which apply to specific categories of employees, such as the Financial Code of Ethics and the Purchasing & Supply Management Code of Ethics. These Directives form an integral part of the Business Code of Conduct (jointly referred to as 'BCC'). The Business Code of Conduct, which has been adopted by the Board of Management, is reviewed on a regular basis and revised if necessary. In order to ensure that business ethics are a living issue throughout the company, a worldwide training program is in place to heighten awareness of the absolute need for strict compliance with the Business Code of Conduct.

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1 General commitment

NXP's values are built on its brand pillars. To truly deliver upon our promise of delivering better sensory experiences, we must ensure that we are Insightful, Inventive and Engaging, and constantly striving for Excellence. Our four values set the criteria against we should judge our behavior and our execution, covering our products, our values, our leadership style and so on. We are driven by deep insights into what the customers and their end-users want to experience from our technology. We create meaningful innovations in vibrant audio, video, communication and identification technology. We are committed to support the growth and ambitions of our people and customers, and we have a passion to deliver excellence in everything we do, our work, financial performance and customer service.

NXP wishes to be a responsible partner in society, acting with integrity towards its shareholders, customers, employees, suppliers and business partners, competitors, governments and their agencies, and others who can be affected by its activities. NXP duly observes the applicable rules of the law of the countries in which it operates and regularly reviews its interests and those of affected persons or entities in order to ensure a healthy, long-term relationship with them. NXP endeavors to adapt to local situations in order to take the most appropriate approach to possible problems within the bounds of applicable law and responsible conduct. In this respect NXP supports the principle of dialogue and cooperation with all parties involved.

1.1 Human rights

With due regard to the Universal Declaration of Human Rights, which states that all parties in society, including corporate persons, have a duty to respect and safeguard human rights, and within the framework of the legitimate role of business, NXP supports and respects human rights and strives to ensure that its activities do not make it an accessory to infringements of human rights.

1.2 Child, bonded and forced labor

Under no circumstances will NXP make use of forced or bonded labor, nor will it employ children in violation of Conventions no. 138 and no. 182 of the International Labour Organization.

¹ In these Business Code of Conduct the expressions "NXP" and "NXP companies" are used for convenience and refer to the NXP group of companies comprising NXP B.V. and its subsidiary companies.

1.3 Free market competition

NXP supports the principle of free market competition as a basis for conducting its business and observes applicable competition laws and regulations.

1.4 Product safety

NXP aims, at all times, to supply safe products and services.

1.5 Privacy

The privacy of personally identifiable information about customers, employees, business partners and other individuals will be protected.

1.6 Environmental protection

Consistent with its commitment to sustainable development, NXP will do all that is reasonable and practicable to minimize any adverse effects of its activities on the environment.

2 Commitment towards customers

NXP is driven to improve people's lives. Its goal is to constantly delight each customer with breakthroughs both large and small. To this end, the company seeks to maintain an ongoing dialogue with its customers. NXP is committed to listen to and learn from them, so that it is able to design and deliver the solutions they really want and need. NXP will always deal with its customers in a fair and forthright manner, maintaining the highest levels of integrity.

3 Commitment towards shareholders

It is of central importance to NXP to conduct its operations in accordance with the highest standards of internationally accepted principles of good corporate governance. NXP attaches great value to its relations with its shareholders and the financial markets and provides timely, regular and reliable information on its activities, structure, financial position and performance.

4 Commitment towards employees

NXP values its employees as a key resource. An atmosphere of good employee communication, involvement and responsibility is of central importance, and an employee's personal development and optimum use of talents is encouraged.

4.1 Right to organize

NXP recognizes and respects the freedom of employees to choose whether or not to establish, or to associate with, any organization. NXP respects – within the framework of (local) law, regulations and prevailing labor relations and employment practices – the right of its employees to be represented by labor unions and other employee organizations, and NXP will engage in negotiations, either on its own behalf or through employers' associations, with a view to reaching agreement on employment conditions.

4.2 Health and safety

NXP will do all that is reasonable and practicable to protect the health and safety of its employees.

4.3 Equal and fair treatment

Every employee has equal opportunities and will be treated equally in employment and occupation regardless of personal background, race, gender, nationality, age, sexual preference or religious belief. The same applies to the recruitment of employees. NXP strives to offer equal pay for equal work performed at equal levels at similar locations. No form of harassment or discrimination will be tolerated.

4.4 Wages and payment

Remuneration and working hours shall comply with local labor laws and shall at least be in line with prevailing industry norms.

5 Commitment towards suppliers and business partners

NXP pursues mutually beneficial relationships with its suppliers and business partners. It seeks to award business to suppliers and business partners who are committed to act fairly and with integrity towards their stakeholders and who observe the applicable laws of the countries in which they operate.

6 Assets and information

6.1 Use and protection of assets

Each employee is responsible for the proper use, protection and conservation of NXP's assets and resources as well as confidential information disclosed to NXP by its business partners. NXP's assets and resources, as well as any opportunities arising by virtue of one's position, are to be used solely to pursue and achieve NXP's goals and not for personal benefit.

6.2 Improper disclosure

NXP regards information for the purpose of its business as a corporate asset that must be protected against loss, infringement and improper use and disclosure. NXP is committed not to make use of information disclosed to it by a third party if it is suspected that the discloser thereby violates an obligation of confidentiality, unless the information:

- a) is generally available to the public other than as a result of disclosure by NXP;
- b) has been developed independently by NXP; or
- c) becomes available to NXP either on a non-confidential basis from a third party who is not bound by any confidentiality obligations or by operation of law.

6.3 Insider trading

All employees have to comply with statutory rules and regulations concerning insider trading with respect to securities of NXP and other companies.

7 Business integrity

7.1 Bribery; records of transactions

NXP insists on honesty, integrity and fairness in all aspects of its business. Bribes in any form are unacceptable; commission payments and personal gifts or favors may only be made or accepted in strict accordance with the BCC Directives. NXP strives to comply with the highest levels of transparency and accountability throughout the company. Records of transactions should be maintained in an accurate, complete and timely manner in accordance with NXP accounting principles. No unrecorded funds or assets should be established or maintained.

7.2 Third-party interests

Employees are not allowed to have any direct or indirect financial interest in a supplier or competing company with the exception of a financial interest in a publicly traded company.

7.3 Political payments

NXP companies shall not make payments or donations, in money or in kind, to political parties, political organizations or individual politicians, unless such payments are made in strict accordance with the BCC Directives.

8 Observance of the Business Code of Conduct

8.1 Sanctions

All NXP employees must comply with the Business Code of Conduct. Violation may lead to disciplinary action, including dismissal, notwithstanding any further civil or criminal action that may be taken.

8.2 Whistleblower policy

In order to promote the reporting of violations of the Business Code of Conduct, a whistleblower policy is in place, enabling employees to submit complaints on an anonymous basis without fear of the complaints leading to disciplinary action.

8.3 Compliance

Compliance with the Business Code of Conduct is monitored via a worldwide network of regional and country compliance officers, who regularly report to the Corporate Review Committee BCC, which advises the Board of Management on the deployment of the Business Code of Conduct and on ethical issues in general. Reporting on compliance with the Business Code of Conduct is also an integral part of the Statement on Business Controls issued annually by the management of each business unit/department as part of a cascade process leading to CEO/CFO certification of the company's annual accounts. Compliance processes and procedures are audited by NXP's Corporate Internal Audit department.