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| Procedure:       | Principles of Conduct   |             |
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1.0 **Purpose and Scope:**

The scope of this procedure applies to Shape Corp, SNS China, Shape Mexico, Shape Czech Republic and define the principles of conduct for the global organization.

2.0 **Definitions:**

2.1 N/A

3.0 **Instruction and Responsibility:**

**SHAPE'S PRINCIPLES OF CONDUCT**

Shape Corp. ("Shape"), through its valuable team members, has developed a reputation of quality, excellence, integrity, and customer satisfaction. Core to maintaining and strengthening that reputation is the requirement and expectation that every Shape employee, regardless of position in the company (referred to throughout collectively as "associates" or "associate") is to conduct themselves in accordance with the highest ethical business standards. The Shape Principles of Conduct describe the standards of ethical business behavior governing all associates is a foundation of Shape's business philosophy. As Shape continues to grow, it is critical that we remain a company committed to the highest standards of ethical business conduct. Shape expects it, our customers expect it, and our community expects it.

Our "Principles of Conduct," outlined below, describe the standard of behavior governing all Shape associates. These principles apply to all our business activities around the world, and every Shape associate is expected to behave in accordance with these principles and conduct all relationships in accordance with the highest ethical standards. It is imperative that you read, understand, and follow the principles described in the statement. All associates are required to complete a Principles of Conduct acknowledgment on an annual basis which indicates that they have read, understand, and follow the Principles of Conduct. As part of this process, associates must also disclose any concerns or violations of the Principles of Conduct by themselves or others for review by appropriate Shape personnel, which may include members of the Human Resources Department, the Chief Compliance Officer, and/or the General Counsel.

While you may not be expected to know the details of all areas of the law, you are expected to know when ethical issues arise within the scope of your duties, and to seek guidance for ensuring that these principles are followed. If at any time you have questions about our Principles of Conduct, feel free to discuss your questions with your supervisor, the Human Resources Department, or contact our Chief Compliance Officer, Mike Westbrook, or our General Counsel, Aida Tanaka.

If you become aware of conduct which violates our Principles of Conduct or may violate our Principles of Conduct, you are required to report that conduct directly to your supervisor, the Human Resources Department, Shape's Chief Compliance Officer, or Shape's General Counsel. You may also use our online reporting website at [www.shape-corp.ethicspoint.com](http://www.shape-corp.ethicspoint.com). Toll-free reporting hotlines are also listed on this site for each applicable county. You may report concerns anonymously if you prefer. Subject to duties arising under applicable law, regulations and legal proceedings, all such submissions will be treated as confidential.

There will be no direct or indirect retaliation against anyone who reports, in good faith, conduct that is illegal or otherwise in violation of Shape's Principles of Conduct. Violations of Shape's Principles of Conduct can result in discipline, up to and including termination of employment.



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**COMPLY WITH ALL APPLICABLE LAWS**

It is Shape's policy to comply with all applicable laws, rules and regulations. Shape exists in a complex maze of local, national and international laws. Violations of these laws can be extremely costly to Shape and subject the company or associate to criminal or civil penalties. You are required to familiarize yourself with all of the laws and regulations that apply in the areas of your responsibilities. For example, if you work in a country outside of the United States, you should be familiar with the laws of that country. Certain laws demand the special attention of all associates. These include:

*Environmental, Health, and Safety Laws*

All associates are expected to know and follow the environmental policies and regulations that apply to their work. These laws specify standards and procedures that should be followed to protect the well-being of associates and the public. For example, if you work in an area where toxic materials are handled, you should be familiar with applicable environmental regulations, as well as with Shape's written internal procedures.

*Securities Laws*

Although Shape itself is not a publicly-traded company, there are times when we interact with customers, suppliers, or other third parties who may be publicly-traded companies, and as a result of our business relationship, material information not generally available to the public that a reasonable investor would consider important in deciding whether to buy or sell securities in that company. This is called "inside information". It is illegal for any Shape associate to engage in any securities trading, for example buying or selling stock of a customer, supplier, or other Shape third party, while in possession of inside information, known as "insider trading". Tipping others to engage in any securities trading based on inside information is also illegal. All such information should be kept strictly confidential.

*Employment Laws*

Shape is committed to equal employment opportunity and fair treatment for employees commencing with hiring and continuing through all aspects of the employment relationship. Shape will not discriminate in any employment decision because of race, color, sex, religion, national origin, age, disability, sexual orientation, gender identity, genetic information, veteran status, or any other basis prohibited by applicable law. Shape prohibits the unlawful harassment of its employees and recognizes employee freedom of association and the right to bargain collectively, or to refrain from such. In addition, globally, our operations will comply with national employment standards where they do business, including complying with all applicable minimum age requirements for employment (for example, prohibitions against child labor); prohibiting pregnancy testing as a condition of employment; prohibiting the use of involuntary labor (also known as human trafficking); and providing compensation at least equal to the legal minimum wage. Shape will not knowingly do business with suppliers who violate national employment laws. See your respective associate employment handbook for additional employment-related policies.

*Antitrust Laws*

We are subject to various fair competition laws, also known as antitrust laws, in the countries where we do business. Although this is a complex area, as a general rule, these antitrust laws prohibit price fixing, dividing territories, agreeing to contract terms, and other similar activities with competitors that negatively impact the market. Also prohibited are certain agreements or understandings with our clients, suppliers, and other business parties that may unlawfully restrict competition.

*International Laws*

Shape is a U.S.-headquartered company that conducts business in many countries, and as a result, we are subject to U.S. law wherever we do business, and additionally, we are also subject to the local country laws of the countries where we do business. Shape complies with the law and our global standards wherever we do business. If a situation arises where Shape's Principles of Conduct, other policies and procedures, and U.S. law and local country laws are in direct conflict, you should contact your supervisor and the Chief Compliance Officer and/or General Counsel ^ before taking any action.



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Anti-Corruption and Anti-Bribery Laws. There are many laws prohibiting corruption and both commercial bribery and bribery of government officials, including the UK Bribery Act and the U.S. Foreign Corrupt Practices Act, along with many other local country laws. Shape will not tolerate bribery of any form – with any third party, public or private, whether done directly or indirectly through third parties, even if we lose business or encounter delays because of our refusal to do so – even if operating in a part of the world where paying bribes is accepted and expected. We do not conduct Shape business that way.

A “bribe” is an offer or promise to give, or the giving of, or authorizing to give, anything of value or another advantage to improperly influence the actions of a third party, public or private. “Bribes” include money, gifts, travel or other expenses, hospitality, entertainment, below-market loans, discounts, favors, business or employment opportunities, political or charitable contributions, or any direct or indirect benefit or consideration. “Improper influence” typically involves “buying” the misuse of someone’s position. Bribes violate anti-corruption and anti-bribery laws.

Shape also prohibits “facilitating payments,” which are typically small payments given to a government employee, usually in cash, to expedite or secure the performance of a routine process, such as approving a work visa or clearing customs more quickly.

Shape may also be liable, not only for the actions of its associates, but also for the actions of our business partners – including, for example, third party agents, customs brokers, and joint venture partners. If you have a reasonable suspicion that a third party agent or other business partner might pay a bribe but fail to take steps to attempt to prevent such payment, you may be viewed as implicitly authorizing the bribe.

Trade Control Laws. Shape equipment or technology may at times be subject to export or import control laws. It is critical that associates comply with all rules and regulations that govern Shape’s international trading activity. As a U.S.-based company, Shape must also comply with all U.S. trade and economic sanctions. Additionally, we may not participate in any boycott or restrictive trade practice against countries considered “friendly” to the United States or that are blacklisted by other countries.

*Intellectual Property Rights*

Shape respects the intellectual property rights of others, including their valid patents, trademarks, trade secrets, and copyrights, and use of such protected intellectual property is prohibited without express permission of the owner(s)/author(s). You should not use another company’s name or logo without its permission, nor should any Shape associate copy articles, data, photographs, music, videos, or software without obtaining permission of the owner(s).

Likewise, Shape also protects its intellectual property. Associates may develop ideas, processes, and technology on behalf of the company during their employment with Shape that may be protected by patents, copyrights, and trademarks and which is intellectual property belonging to Shape or its customers – and not to the associate, as any rights in such intellectual property have been assigned to the Company as part of the associate’s employment with Shape.

**NO IMPROPER GIVING OR RECEIVING OF PAYMENTS OR GIFTS OR ENTERTAINMENT**

Improper payments or gifts include anything of more than a minimal value given to any person, firm or organization, whether associated with a customer, supplier, competitor, government or otherwise, to obtain improper preferential treatment for either Shape or the associate. Examples include bribes, payoffs, kickbacks, gifts with more than a minimal value and payments for goods or services that either are not received or are at a greater price than is reasonably necessary. Examples of acceptable business courtesies include occasional meals, refreshments, entertainment, or gifts of minimal value, e.g., calendars, pens, mugs, or t-shirts. Items greater than a nominal value may not be given or accepted unless approval is obtained from management. No gifts or entertainment, even of minimal value, if in violation of anti-bribery and/or anti-corruption laws and/or Shape’s principles of conduct or other anti-bribery and anti-corruption policies and procedures.



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**BE FAIR TO SHAPE AND TO SHAPE'S ASSOCIATES, CUSTOMERS, SUPPLIERS AND COMPETITORS**

Each associate is expected to deal fairly with one another and with Shape's customers, suppliers, and competitors. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing.

Fairness to the company means not only avoiding any misuse of Shape funds or other property, but includes identifying misuse or waste by others, avoiding abuse of the Internet, creating and maintaining completely accurate financial books and records, safeguarding all types of information about Shape, complying with internal controls and procedures, cooperating in any investigation, and avoiding conduct that interferes with your functioning in your position to the best of your ability. Fairness to others involves respect for their property, their self-esteem, and their contributions to the overall success of Shape.

**MAINTAIN CONFIDENTIALITY**

Associates must maintain the confidentiality of confidential or proprietary information, including trade secrets, entrusted to them by Shape or its suppliers or customers, except when disclosure is specifically authorized by the Shape Human Resources Department, Shape's Chief Financial Officer, Shape's General Counsel or required by laws, regulations or legal proceedings. Confidential information includes all non-public information that might be of use to competitors of Shape or harmful to Shape or its customers if disclosed.

Shape associates must also be mindful of the private and sensitive personal information (including but not limited to, for example, names, government identification numbers, bank account information, dates of birth, compensation information) collected regarding its associates for routine personnel, payroll, healthcare benefits, and other routine operations and must take steps to adequately safeguard that information. Associates must follow all applicable data privacy laws, and understand that the laws of other countries or regions – for example Europe – may require additional safeguards. Privacy must additionally be respected by ensuring that accessing and sharing of confidential employee data is only for legitimate business purposes, with appropriate authorization, and on a need-to-know basis.

Regarding gathering competitive information, it is appropriate for us to gather certain forms of competitive information; however, it should be done so responsibly, ethically and legally. Even the appearance of improper information gathering of competitive information must be avoided. In general, information about competitor activities can be gathered from public information in newspapers or the internet or publicly-distributed sales materials. Information can also be learned from conversations with customers and gained during presentations at trade associations or industry conferences, so long as long the information provided is not confidential or related to anti-competitive practices (see discussion above regarding compliance with Antitrust Laws). Information should never be gathered through misrepresentation or other deceitful or improper means. The confidentiality of information gained by associates in prior employment must also be respected.

**AVOID ALL CONFLICTS OF INTEREST**

Shape's associates must avoid engaging in any activity that might create a conflict of interest or create a perception of a conflict of interest. A conflict of interest occurs when an associate is, for any reason, in a position that his or her conduct could be, or appear to be, influenced by some factor other than concern solely for the best interests of Shape. Such factors include being employed by a competitor or potential competitor, receiving gifts of more than a minimal value from someone working for a supplier, customer, or competitor, or having a significant financial or other interest in any of those other businesses by either the associate or a member of his or her family. Determining whether a conflict of interest exists is not always easy to do. Associates should seek review by their manager or Human Resources Department prior to engaging in any activity, transaction, or relationship that might result in a conflict of interest.

**DO NOT USE CORPORATE OPPORTUNITIES FOR PERSONAL BENEFIT**

Associates are prohibited from taking for themselves personal opportunities that properly belong to Shape or are discovered through the use of company property, information or position; using corporate property, information or position for personal gain; and competing with Shape. Associates and directors owe a duty to Shape to advance Shape's legitimate interests when the opportunity to do so arises.



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**PROTECT AND PROPERLY USE SHAPE'S ASSETS**

Associates should protect Shape's assets and ensure their efficient use. All Shape assets should be used for legitimate business purposes. Associates and those who represent Shape are trusted to behave responsibly and use good judgment to conserve company resources. Leaders are responsible for the resources assigned to their departments and are empowered to resolve issues concerning proper use.

**DO NOT USE SHAPE ASSETS OR FUNDS FOR POLITICAL CONTRIBUTIONS**

The legal restrictions governing contributions to candidates for public office and causes differ around the world. In the United States and some other countries, associates may make personal donations, but they cannot receive any type of reimbursement from Shape.

**CONCLUSION**

In conclusion and as a reminder, if at any time you have questions about our Principles of Conduct, feel free to discuss your questions with your supervisor, the Human Resources Department, our Compliance Officer, Mike Westbrook, or our General Counsel, Aida Tanaka.

If you become aware of conduct which violates our Principles of Conduct or may violate our Principles of Conduct, you are required to report that conduct directly to your supervisor, the Human Resources Department, Shape's Chief Compliance Officer, or Shape's General Counsel and without fear of retaliation. You may also use our online system at [www.shape-corp.ethicspoint.com](http://www.shape-corp.ethicspoint.com) (phone numbers to local hotlines are also provided on the website), including to report concerns anonymously if you prefer. Subject to duties arising under applicable law, regulations and legal proceedings, all such submissions will be treated as confidential.

4.0 **Environmental Management**

4.1 N/A

5.0 **References:**

- 5.1 ISO/TS16949 Current revision
- 5.2 ISO 9001 Current revision
- 5.3 ISO 14001 Current revision

