

Intellectual Property and Confidentiality

This policy #112 is an integral part of the Company's Code of Conduct, which is introduced under policy #111.

Intellectual Property

Every employee must carefully maintain and manage ScanSource's intellectual property rights, including patents, trademarks, copyrights, licenses and trade secrets, to preserve and protect their value. In addition, employees must respect the intellectual property rights of others. If any employee violates other's intellectual property rights, that individual and ScanSource could face substantial liability, including criminal penalties.

An invention, concept, discovery or improvement (all referred to as "Intellectual Property") whether patentable or not, which is conceived or made by an employee, alone or with others, and with the use of the Company's time, materials or facilities, at any time during the term of an employee's employment is the property of the Company. This provision does not apply to Intellectual Property for which no equipment, supplies, facility, or trade secret information of the Company was used and which was developed entirely on the employee's own time, unless (a) the invention related (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the invention resulted from any work performed by the employee for the Company.

An employee must promptly make full disclosure of all Intellectual Property to his/her immediate supervisor. At the Company's request and expense and without further compensation, the employee will sign patent applications, assignments and other documents and will perform any other services considered necessary by the Company to vest title to the Company to such Intellectual Property and to perfect, defend and maintain the Company's rights therein. An employee must disclose to the Company prior to the commencement of his/her employment with the Company a list of all inventions that he/she has, alone or jointly with others, conceived, developed, and/or reduced to practice that he/she considers to be his or her property.

Confidentiality

Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers, if disclosed. The Company owns all information, in any form (including electronic information) that is created or used in support of its activities. This information is a valuable asset and the Company expects employees to protect it from unauthorized disclosure. This information includes Company customer, supplier, business partner, and employee data. Federal and state law may restrict the use of this information and may penalize the employee if the person uses or discloses it. Each employee should protect information pertaining to the Company's competitive position, business strategies and information relating to negotiations with employees or third parties and share it only with employees who need to know it in order to perform their jobs.

Employees must maintain the confidentiality of information entrusted to them by the Company, its customers, vendors or consultants, except when disclosure is authorized or legally required. Employees must take all reasonable efforts to safeguard confidential information that is in their possession against inadvertent disclosure and must comply with any non-disclosure obligations imposed on ScanSource.

Confidential information includes, but is not limited to, the following examples:

- Compensation data
- Computer Processes
- Computer Programs and codes
- Customer lists
- Customer preferences
- Labor relations strategies
- Marketing strategies
- New materials research
- Pending projects and proposals
- Technological data

- Financial information
- Technological prototypes

Because the Company considers security breaches very serious, improper use or disclosure of trade secrets or confidential business information will result in prompt disciplinary action, up to and including termination of employment and legal action, even if the offending employee does not actually benefit from the disclosed information. Nothing in this Policy prohibits any person from reporting potential violations of law to relevant government authorities.

This policy does not supersede or limit any separate confidentiality agreements that ScanSource may enter into with individual employees.

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THIS POLICY IS NOT AN EMPLOYMENT CONTRACT. EMPLOYMENT IS AT-WILL.