Essex Solutions

Standards of Business Conduct

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Letter from the CEO

Dear Fellow Essex Solutions Employees:

As we strive to remain a leader in our competitive industry, one of our top priorities as an organization must be to preserve a culture where every employee is equipped and empowered always to do the right thing for our customers, employees and shareholders.

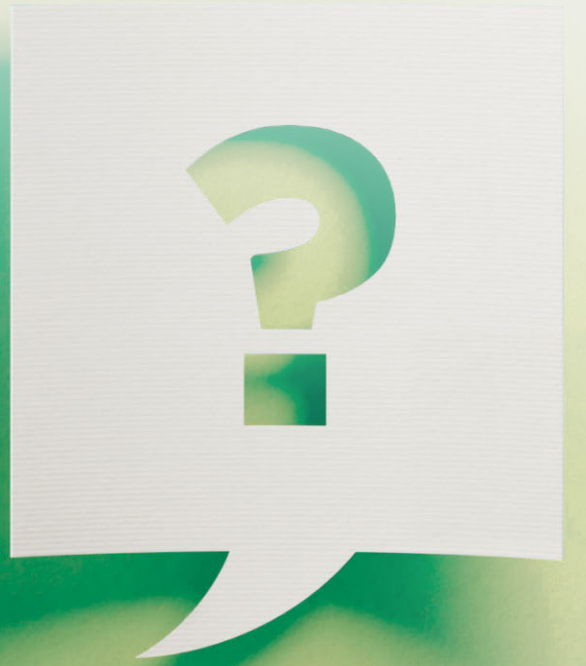
The Essex Solutions *Standards of Business Conduct* is designed to provide all employees with more detailed information and guidance on how to conduct business in compliance with our *Code of Ethics*. Together with other company policies, the *Standards of Business Conduct* and the *Code of Ethics* outline the behaviors that best define who we are and aspire to be as an organization.

As a team that shares the same vision and core values, I have no doubt that we will achieve great success together. Thank you for your continued support in shaping the future of our company.

Daniel Choi

President and CEO,
Essex Solutions

Frequently Asked Questions



ABOUT THE CODE OF ETHICS AND STANDARDS OF BUSINESS CONDUCT

What is the *Code of Ethics*?

The *Code of Ethics* embodies our ethical standards and core values for how we conduct business around the world. The *Code of Ethics* and other policies described in the *Standards of Business Conduct* apply to all officers, directors and employees of Essex Solutions Inc. and its subsidiaries and affiliated companies. The *Code of Ethics* applies to full and part-time employees and contract or temporary workers.

What are the *Standards of Business Conduct* (the "*Standards*") ?

The Standards provide managers:

- more detailed guidelines intended to assist you in acting and making decisions on behalf of our Company consistent with the *Code of Ethics*, and
- a general reference guide to the laws and policies that apply to all employees of Essex Solutions and all its subsidiaries.

No document can be all-inclusive, however, and as such this document does not describe all applicable laws, regulations or Company policies, or give full details on any single law, regulation or policy. The *Code of Ethics*, the *Standards*, the Company employee handbooks and other policies are available to you on the Company Intranet.

Where does the *Code of Ethics* Apply?

The *Code of Ethics* applies regardless of the country in which you work. However, the *Code of Ethics* may be applied differently in different countries, due to cultural differences or adherence to local laws and regulations. In any situation where you are unclear about how a policy applies, see "Who Do I Contact if I have Questions or Concerns?"

What Are My Responsibilities Regarding The *Code of Ethics*?

Each manager is responsible for becoming familiar with, and following, all the laws, rules, regulations and policies that apply to your job and level of responsibility. You are also responsible for seeking advice when needed, raising concerns and reporting violations of law or policy, including the *Code of Ethics*.

Each manager is responsible for educating employees regarding the *Code of Ethics* and other Company policies and ensuring that employees have adequate knowledge and resources to take action when appropriate. Managers are also responsible for monitoring employee compliance, enforcing Company policy and ensuring that employees who raise concerns regarding potential misconduct receive the support they need. Managers are responsible for reporting all issues raised regarding the *Code of Ethics* to the Compliance Officer.

When Should I Raise Concerns?

Ideally, you should raise concerns about risks to the Company or its employees before these risks become actual problems. You should speak up if you believe that you or your co-workers risk violating laws, regulations, or Company policies, or if you find yourself uncomfortable with a situation. Except where prohibited by law, you are *required* to report any known violations of applicable law, rule, regulation or Company policy, including any violations of the *Code of Ethics*. When in doubt, raise your concerns.

Who Do I Contact If I Have Questions or Concerns?

The foundation of our compliance program is openness and accessibility. Most issues can be resolved locally before they become problems for the Company, employees or the public. The Company encourages employees to present ideas, raise concerns or ask questions—especially those of a legal or ethical nature. All managers are responsible for supporting and enforcing this policy by maintaining an "open door" for their direct reports and those who may reach out to them. A variety of resources are available if you have questions or concerns. Those resources are included with the Company's *Code of Ethics* and on the Company's intranet.

Will Contacts with The Compliance Officer Be Confidential?

Confidentiality is a priority and every effort will be made to protect it. Please note, however, that we may be required by law to reveal your identity or it may be impossible to keep your identity confidential (for example, if you are an employee in a very small department reporting document falsification by a manager). If you are concerned about confidentiality, except where prohibited by law, you can submit your concern anonymously.

What About Disciplinary Action?

Any violation of a law, regulation or Company policy can result in disciplinary action or termination. In addition, employees may be faced with disciplinary action, including termination, if they:

- Direct others to violate applicable laws, rules, regulations or Company policies;
- Fail to cooperate in a Company investigation of possible violations;
- Retaliate against another employee for reporting a concern or violation; or
- Fail to effectively monitor the actions of subordinates.

Disciplinary actions are taken after an appropriate investigation and review of the facts.

What If I Fear Retaliation?

The Company prohibits and will not tolerate retaliation against any employee who seeks advice, raises a concern or reports misconduct. If you suspect that you, or someone you know, have been retaliated against for making a report, you should contact the Compliance Officer immediately. The Company will take appropriate action against any individual who engages in retaliatory conduct against an employee who has truthfully, and in good faith, reported a violation. This “no retaliation” policy is not intended to protect a person who is involved in wrongdoing about which he or she is making a report. Appropriate action will also be taken against any individual who has intentionally made a false report.

The Code of Ethics

OUR COMMITMENT TO THE MARKETPLACE

The Company is committed to competing both lawfully and ethically in the marketplace. We are honest and fair in all our business dealings with customers, suppliers and business vendors.

In honoring this commitment:

- We never use unlawful or unethical means to learn about our competitors, and we gather business intelligence in a proper and lawful manner.
- We market and sell our products with honesty and integrity, and in compliance with all applicable laws.
- We compete in compliance with all applicable antitrust and competition laws.

Antitrust and Competition Laws

Antitrust and competition laws are designed to protect free enterprise by prohibiting agreements and practices that reduce competition. It is Company policy to compete vigorously while at the same time complying with all applicable antitrust and competition laws. While these laws are complex and difficult to summarize, they generally prohibit agreements or understandings between the Company and our competitors regarding prices, terms or conditions of sale, profits, division or allocation of customers, markets or territories, credit arrangements, methods of distribution or any other activity that restrains competition.

If you are responsible for areas of the business where these laws apply, such as sales and marketing, you must be aware of them and their implications, and in particular, how they apply in each country in which you operate and you are expected to comply with such laws. Many countries have unique antitrust laws or competition laws and these laws may differ from country to country. For example, the competition laws of other countries are sometimes more stringent than the laws of the United States and regulate, among other things, distribution agreements; patent, copyright and trademark licenses; territorial restrictions on resellers and licenses; rebates and discounts to customers and pricing policy generally.

The following is a summary of some of the most common antitrust problem areas. All employees must avoid even the appearance of engaging in the following types of activities.

Restraints of Trade. Any agreement, understanding or arrangement, expressed or implied, formal or informal, in restraint of trade or commerce is prohibited by antitrust laws. All questions should be referred to the Legal Department.

Dealing with Competitors. It is against Company policy to discuss or communicate with any competitor relating to price or any matter that affects pricing, including costs, credit terms, allocation of markets, geographics, customers or lines of business.

Dealing with Distributors. The Company is permitted to suggest prices, terms of sale and other marketing practices to its distributors. It is, however, against Company policy to have any agreement concerning the prices (e.g., maximum or minimum discounts) which our distributors charge their customers.

Dealing with Customers. Requiring a customer to purchase one product in order to obtain another product is generally against Company policy. This is known as “tying.” Certain “bundling” or “knitting” of products is at times permissible, but should be approved by the Legal Department prior to implementation. It is against Company policy to illegally discriminate as to the prices, allowances, or other terms and conditions offered to competing customers.

Exclusive Dealings. It is against Company policy to sell or purchase a product on the condition that the purchaser or supplier not purchase products from or sell products to a competitor.

Reciprocity. While the Company may sell its products to its suppliers, it is against Company policy to require a supplier to purchase our products as a condition for doing business with that supplier.

Monopolization. The Company has secured a significant market segment share for some of its products through superior technical innovation, design, marketing and hard work. Having a significant share of some market segment or “market power” is not illegal. Monopolization involves achieving or maintaining market power through abusive tactics. Accordingly, it is extremely important that employees avoid any tactics that could be construed as being designed to exclude or destroy competition.

Legal Review. The seriousness of an antitrust violation cannot be overemphasized. For certain violations such as price fixing, the Company and individuals may be fined, and individuals may be imprisoned. Antitrust violations can also result in substantial penalties, including treble damages. Antitrust violations may also subject the Company to extremely costly litigation and damages. Any questions concerning matters involving potential antitrust issues should be brought to the immediate attention of the Legal Department.

Antitrust Violations Could Look Like...

An Essex Solutions sales representative and a competitor agree to give free shipping for all purchases of more than $500,000. Afterwards, both companies offer the free shipping discussed.

The Company plans to implement a price increase. A Company sales representative is concerned that he will lose business if the Company's competitors don't increase prices. He asks some of his distributors to approach our competitors so that we can have a coordinated price increase.

Sales representatives at competing companies are neighbors. They talk over drinks and agree to split customers in order to maintain "turf." Business now becomes "stay off our turf and we'll stay off yours."

At an industry conference roundtable discussion, participants acknowledge the threat of imports and agree not to sell to any U.S. distributor who purchases imported products for resale.

A sales representative agrees with an important distributor that Essex Solutions will charge competing distributors at least 5% more for purchase of the same products.

Competitive Intelligence

Due to the large amount of public information readily available in today's world, we have access to a great deal of information about other companies and their products and services. It is generally not unethical or illegal to have and make use of public information in conducting our business.

In gathering business intelligence, you should abide by the following guidelines:

- You are free to gather intelligence about companies from public sources such as their websites, published articles, price bulletins, advertisements, brochures, public presentations and customer conversations.
- You may also contract with an outside vendor to gather business information, but only if the selection, contracting process and processes used by the vendor to gather information are legal.
- You should only accept business information about other companies when you believe that the receipt and use of the information is lawful and ethical and does not violate anyone's confidentiality obligations.
- You should never use or ask a third party to use unlawful or unethical means such as misrepresentation, deception, theft, spying or bribery to gather any such information.
- You should avoid gathering competitive intelligence directly from a competitor unless approved by the Legal Department.

Violations of Guidelines on Gathering Business Intelligence Look Like...

John, a sales representative, has heard that a competitor may be introducing a new product. John has heard that selected customers have been asked to sign a confidentiality agreement and then test the product. John asks customers of the competitor for the product specifications of the competitor's new product.

Betty, a marketing manager with the Company, attends a trade show. She is aware of a new product presentation being made by a competitor for its customers. Betty attends the presentation by misidentifying herself as being a customer of a competitor.

Marketing Integrity

We are committed to truthful and accurate communication of information about our products and services to governmental and regulatory officials, customers and the general public. Company advertising and promotional materials may not be misleading, deceptive or fraudulent and must comply with all applicable governmental laws, rules and regulations that prohibit unfair and deceptive trade practices. As part of this commitment, you should make sure that any promotional materials you use regarding our products are:

- Supported by sound data;
- Consistent with product labeling; and
- Approved through the Company's system for promotional review.

Trade Issues

As a company operating outside the United States, our contact with entities operating around the world increases daily. The United States and other countries where we do business have laws that restrict or prohibit doing business with certain countries and parties. Likewise, while most countries regulate international trade, many countries, including the U.S., also restrict or prohibit transactions involving certain products, software and technology.

Failure to abide by any trade restrictions could jeopardize a portion of the business of the Company and lead to severe sanctions against the Company and the responsible individuals, which may include criminal fines and penalties. The Company's *Export Policies and Procedures Manual ("Export Manual")*, which may be found on the Company intranet, describes our policies and procedures for compliance with U.S. laws, including:

- procedures to screen potential contracting parties before engaging in transactions;
- procedures regarding the export of technical information;
- procedures to comply with the anti-boycott laws.

Employees should direct any questions or concerns relating to compliance with trade laws, to the Legal Department.

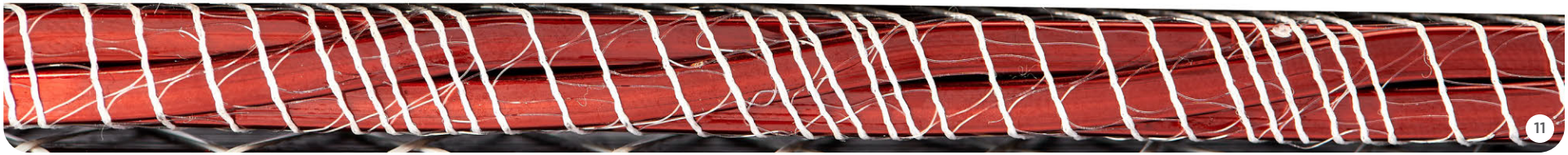
Contracting With Others

Our contractual relationships with suppliers and customers are important elements of our success. Vendor selection and purchasing decisions must be made objectively and in the Company's best interests, based on evaluation of suitability, price, delivery, quality and other pertinent factors.

Negotiations with customers must be conducted in a professional manner, engaging the proper Company resources to establish the best overall sales relationship with each customer.

Employees should never enter into agreements, written or otherwise, that would appear to contain questionable accounting and/or business practices.

The U.S. Foreign Corrupt Practices Act (FCPA) imposes restrictions on certain payments to foreign officials (discussed more fully under "*Our Commitment to Compliance With Laws—Anti-Bribery Policy and the U.S. Foreign Corrupt Practices Act*," and the U.S. export restrictions make it vital that employees outside the U.S. carefully examine all of the Company's customers, sales agents, distributors, contractors and consultants prior to entering into a contractual relationship with them. To avoid potential issues, the Company has developed procedures to review parties located outside the U.S. with whom we contract prior to entering into a relationship, which are set forth in the *Export Manual* and the Company's *Anti-Bribery Policy*.



OUR COMMITMENT TO INTEGRITY

Without its good reputation, the Company cannot succeed. Each of us must act to preserve and enhance the Company's reputation. To accomplish this, each of us must act with integrity in everything we do.

In honoring this commitment:

> We avoid actual or potential conflicts of interest. A conflict of interest can arise when we take actions or have interests that conflict with or make it difficult to perform our duties for the Company objectively and effectively.

- We are aware that conflicts of interest may involve:
  - having a financial interest in a competitor;
  - having a financial interest in a company that does business with or contracts with the Company;
  - taking advantage of corporate opportunities we learn about as a result of our position;
  - entering into loans with an organization that does business with the Company; or
  - hiring close relatives.
- We are aware that the activities and financial interests of our spouse, significant other, children, parents or in-laws may also give rise to potential conflicts of interest or the appearance of a conflict of interest.

> We do not offer or accept gifts, including meals and entertainment, except as allowed by the Company's policy.

> We will disclose any potential conflicts of interest as provided in the Company's *Conflict of Interest Policy*.

Conflicts Of Interest

As an employee of the Company, you make business decisions every day. The business decisions you make as an employee or director of the Company should be based on the needs of the Company—not on personal interests or relationships. A conflict of interest arises when your personal, social, financial, political or other interests interfere with the interests of the Company. A conflict situation can arise when an employee or director takes actions or has interests that conflict with or otherwise may make it difficult to perform his or her Company duties objectively and effectively.

Even the appearance of a conflict of interest can damage your reputation and the reputation of the Company. It is essential that you avoid even the appearance of a conflict with the interests of the Company.

Disclosure. If you become aware of any conflict or potential conflict between your interests and those of the Company, you should promptly and fully disclose the conflict to the Compliance Officer in writing. Many conflicts of interest can be resolved in a simple and mutually acceptable way.

Examples of conflicts of interest include the following:

Personal Investments in Competitors, Customers, Suppliers or Other Companies. Employees are generally not prohibited by Company policy from making personal investments. However, if you or a close relative has an investment in a competitor, customer, supplier or another organization that does business with the Company, the investment may pose an actual or

perceived conflict of interest with those of the Company. One way to avoid these potential conflict issues is not to invest in competitors or companies that have a business relationship with Essex Solutions or to invest in a fund whose investments are selected by independent fund managers or sponsors. Keep in mind, under law, you may make an investment only if it does not involve the misuse of inside information. See the section titled "*Inside Information*" for more guidance relating to the laws governing insider trading.

If you invest in a competitor, customer, supplier or other party doing business with the Company and the investment may pose a conflict of interest, you should not influence or attempt to influence Company decisions with respect to that organization and you should immediately report the situation to the Compliance Officer for guidance. A small financial interest in another company may not be a problem, particularly if you have no influence over the Company's relationship with the organization. On the other hand, a significant financial interest, particularly in a closely held or non-public company, may be a conflict of interest.

Transactions with the Company; Influencing Business of a Supplier or Customer. A conflict of interest may arise if:

- you or your close relative does business with or has any transactions with the Company;
- you or your close relative seeks to do business or enter into transactions with the Company; or
- you are in a position to influence the Company's decisions with respect to a customer or supplier and you or a close relative has financial or other interests with the supplier or customer.

You are required to disclose any such relationship, including all financial, proprietary or other types of controlling or influencing interests that you or your close relative may have with respect to a customer or vendor. This disclosure should be made to your manager and the Compliance Officer as soon as the interest arises and at least annually. In addition, you must obtain the appropriate level of approval for any such relationship. You may be required to take steps to avoid an actual or perceived conflict with the interests of the Company. These steps may include transferring to another job within the Company, disposing of your financial interest with the customer or supplier, or other measures the Company determines is appropriate.

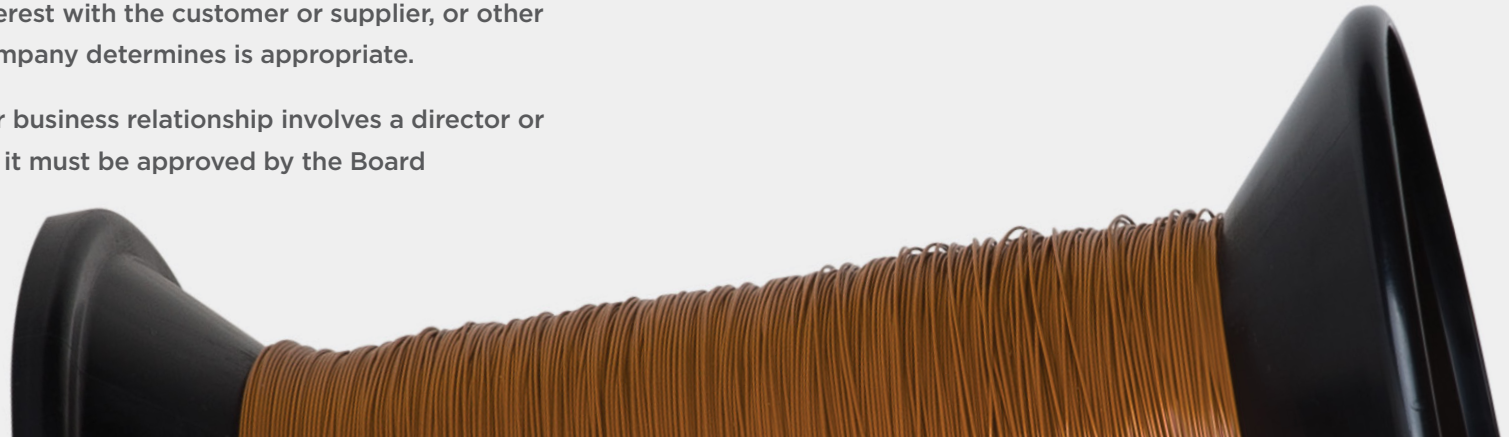
If a transaction or business relationship involves a director or executive officer, it must be approved by the Board of Directors.

Loans from Organizations with Company Relationship. A conflict of interest arises if you or your close relative receives a loan from or borrows money or property from an organization that does business or contracts with the Company. Such a loan is permitted only if the organization is in the business of lending and the loan is on ordinary and customary terms and conditions. Any other loan is not permitted without the prior approval of the Compliance Officer.

Corporate Opportunity

A conflict of interest arises if you or your close relative takes advantage of an opportunity for financial gain which you learn about as a result of your position with the Company or through the use of Company property or information. Employees must have approval of the head of their business unit or corporate function, as well as the Compliance Officer, to proceed with any such opportunity.

Directors must disclose any such opportunity to the Board Chair and Compliance Officer and may proceed only with the prior approval of the Board of Directors.



Employees — Outside Employment and Activities. If you wish to pursue a second job or participate in an outside business venture, you must ensure that your engagement in such activity does not interfere with your job performance or otherwise create a conflict of interest with the Company. To avoid a conflict of interest, you may not provide services to any organization which competes with the Company or which provides goods or services or otherwise does business with the Company unless permitted as described above under "*Transactions with the Company; Influencing Business of a Supplier or Customer*." You should not use your position or authority with the Company to influence the Company to conduct business with your secondary employer or outside business venture, and any outside employment should not compromise your productivity with the Company.

No officer of the Company may be employed by or provide services to another company without the prior approval of the Chief Executive Officer.

Board Memberships. If you are considering serving as a board member of an outside company or industry or trade group, you must first notify your manager and obtain written approval. This requirement does not apply to a family or local privately-held business which is not engaged in a business similar to or competing with the Company's business. Board memberships with a competitor of the Company, or with a company which has a significant relationship with the Company, require prior approval of the Compliance Officer. You may serve on the board of directors of not-for-profit, professional or community organizations as long as the activity does not interfere with your ability to do your job.

Officers of the Company should obtain approval from the Chief Executive Officer prior to accepting board memberships of any kind. Directors should inform the Board Chair and Chief Compliance Officer of any new board memberships.

Personal Relationships. To avoid conflicts of interest, the Company discourages hiring close relatives in the same business unit. Under no circumstances should a family relative report to another close relative, directly or indirectly. The actions of close family members and close personal friends outside the workplace can also constitute a conflict when the actions affect your objectivity. For example, gifts or entertainment offered to family or friends by suppliers, or financial investments in customers or suppliers by family or friends, can create a conflict of interest.

A Conflict Of Interest Looks Like...

Mark wants to invest in a company that produces a product used as a component in the insulation of our products. In Mark's role with the Company, he would likely influence the selection of vendors to supply this component.

Louise has a brother who owns a vending machine company. She learns that her plant will soon be choosing a new vending service and she gives her brother the terms of the best proposal received so far. Louise's brother then submits a proposal on behalf of his company.

Gifts, Favors And Travel And Entertainment

The decisions you make on behalf of the Company should be based on the best interests of the Company. Gifts, favors, travel and entertainment can compromise, or appear to compromise, your objectivity in making these decisions. However, it is often customary and in the Company's best interests to exchange gifts, meals and entertainment, with customers, suppliers and vendors or to take part in programs and events that include meals and entertainment. The following are guidelines to avoid compromising, or appearing to compromise, your objectivity.

Gifts

- Any form of a gift which obligates you to act in a particular manner with regard to Essex Solutions business is a bribe and is not allowed, regardless of value.
- Never accept a business gift in exchange for entering into a business relationship with another company.
- Never accept cash, cash equivalents or stock as a gift.
- Small gifts valued at $100 or less are acceptable, provided that you do not receive such gifts on a frequent basis. Use common sense in valuing gifts—if you have a question about whether the gift is excessive in value, it should be returned. If a gift cannot be returned, you should discuss with your manager whether the gift can be used by the Company (for example, as a door prize or raffle), contributed to charity or distributed within the Company in such a way that the value rule is not exceeded. For example, a gift of snack food during a holiday could be shared within your facility, team or business unit.
- Inform your manager when you have any question about whether a gift could be perceived as a conflict of interest, even if you don't believe it otherwise violates our guidelines.

Entertainment. **Normal business entertainment such as lunch, dinner, theater, a sporting event and the like is appropriate if it:**

- is reasonable in nature,
- is for the purpose of holding business discussions or fostering better business relations; and
- has required business unit or department approvals and complies with the Company's travel and entertainment reimbursement policies.

Travel. **It is not appropriate to accept an offer from a customer, supplier or other outside party to pay for hotel or travel expenses for entertainment, personal use or sponsored events. Travel expenses solely for business purposes, such as a joint trip with a customer to visit a manufacturing facility, may be acceptable, but only if approved by the head of your business unit or corporate function.**

Giving Gifts or Entertainment. **Gifts and entertainment for customers, potential customers and suppliers must support the legitimate business interests of the Company and should be reasonable and appropriate under the circumstances. Always be sensitive to your customers' and suppliers' own rules on receiving gifts and entertainment. You must never make, directly or indirectly, a payment or gift to obtain, retain or direct business.**

International Considerations. In some international business transactions, it is customary and lawful for business leaders in a host country to give gifts. These gifts may be of more than nominal value and, under the circumstances, returning the gifts or paying for them may be an affront to the giver. In such a situation, the gift must be reported to the Compliance Officer and the Company will decide the appropriate course of action.

Government Officials. Company employees dealing with governments should be particularly alert to the special rules that prohibit giving gifts, gratuities, entertainment, favors or anything of value to any U.S. federal, state or local government official or employee or which limit such practices outside the United States. For more information, see "*Working with Governments*" and "*Anti-Bribery Policy and the U.S. Foreign Corrupt Practices Act*."

Inappropriate Gifts Look like...

Tom works in purchasing and awards contracts to suppliers. A supplier bidding on a contract offers Tom a fee to provide the supplier with information which would allow the supplier to submit the winning bid.

One of your suppliers offers you tickets to a sporting event. When you look into the value of the tickets, you find that they are worth at least $1,000. You accept the tickets.

Mark is an account representative for one of the Company's larger customers. The customer wants to reward the Company for its excellent service, and offers to send Mark and a guest on an all-expense paid trip to a vacation resort.

OUR COMMITMENT TO COMPLIANCE WITH LAWS

The Company is committed to complying with all laws, rules and regulations that apply to our business.

In honoring this commitment:

- On a global basis, we follow all applicable laws, rules and regulations governing our activities, including social responsibility, research and development, manufacturing, marketing, distribution and sale of our products.
- We do not allow direct or indirect payments to government officials that could be considered bribes in violation of applicable laws. We are aware that “government officials” can include government employees, political party members and candidates for political office, and employees of state-owned enterprises.
- We never trade on or improperly disclose “inside” information, which is nonpublic information that would be important to a person in deciding whether to buy or sell Company stock.
- We do not allow personal political activities on Company time or the use of Company resources in connection with such activities, unless such activities are specifically protected by applicable laws.

Compliance With Laws

It is the personal responsibility of each of us to comply with all applicable laws, including statutes, case law, agency regulations and orders, and court or administrative orders. The responsibility for compliance with law is a part of every employee's job description. Other sections of the *Standards of Business Conduct* speak in greater detail regarding compliance with specific laws, but are not all-inclusive. The Legal Department is available to assist you in understanding specific laws and Company policies.

Social Responsibility

The Company is committed to preventing unlawful workplace harassment and discrimination on the basis of race, religion, gender, color, national origin, pregnancy, age, disability, veteran status or other protected status under applicable law. We are committed to hire and retain an employee population that is reflective of the diversity of the communities/populations in which we operate. We annually assess our diversity and set hiring/retention goals as needed. The Company is committed to complying with all applicable wage and hour laws and regulations, including those related to regular work, minimum wages, overtime, regulations on the number of hours worked, and legally mandated benefits. The Company will not use forced, involuntary or child labor, including prison, bonded, indentured, human-trafficked or otherwise. The Company will strive to minimize waste and emissions to the air, ground and water, and to adhere to applicable environmental laws and regulations. The Company is also aligned with the International Labour Organization's Fundamental Conventions: No. 29, 87, 98, 100, 105, 111, 138, and 182.

Working With Governments

Doing business with governments is not the same as doing business with private parties. Special rules apply when a government entity is our customer, which can be different from those that govern our dealings with private sector companies. Violations of U.S. government procurement laws can result in criminal and civil penalties, loss of contracts and ineligibility from doing further business with the U.S. Government.

Those involved in bidding or providing products or services under a U.S. government contract need to know these special rules and are expected to comply with these rules.

Anti-Bribery Policy and the U.S. Foreign Corrupt Practices Act

The Company prohibits any officer, employee or representative from offering or providing a bribe, directly or indirectly. Further, any demand for a bribe will be rejected.

The U.S. and other countries in which we do business have laws that forbid bribes to any government official, particularly when the payment is intended to influence an official act, a decision to win or retain business, or obtain any other business advantage. "Government officials" are employees of any government or any state-owned enterprise anywhere in the world, even low ranking employees or employees of government-controlled entities. The term "government official" also includes political party officials or candidates for political office. It is your responsibility to understand whether someone you deal with is a government official.

In some countries, but not in the U.S., it may be customary at times to pay government employees for performing their required duties. These facilitating payments, as they are known, are small sums paid to facilitate or expedite routine, non-discretionary government actions, such as obtaining phone service or an ordinary license. In contrast, a bribe, which is never permitted, is giving or offering to give anything of value to a government official to influence a discretionary decision.

The distinction between a bribe and a facilitating payment to a foreign government employee requires a judgment based on the application of law to a particular set of facts. **Therefore, you should never make a payment or gift of any kind to an official or employee of a foreign government without approval from the Legal Department before acting**.

In the U.S., facilitating payments to government officials or employees are never permitted. Moreover, even small gifts and inexpensive meals or entertainment given to a government official or employee may be prohibited by federal or other U.S. laws and regulations and subject the giver to criminal or civil fines and lobbyist registration and reporting requirements. Outside the U.S., meals and entertainment of government officials must comply with the guidelines contained in the *Anti-Bribery Policy* available on the Company's intranet.

The ban on bribes applies to third parties acting on behalf of the Company such as sales agents, distributors, contractors and consultants. To avoid potential issues, the Company has developed procedures to review parties with whom we contract prior to entering into a relationship, which are available on the Company intranet. If you are contracting with parties outside the U.S., you should be sure to follow these procedures.

Government Requests for Information or Facility Visits

It is the Company's policy to cooperate fully with all requests for information and investigations by governmental agencies. Normally, the Company will receive advance notice of an information request, or of a pending visit, by a governmental agency. In such cases, you should contact the Legal Department immediately, prior to responding to the notice. The Legal Department will advise you regarding the appropriate response to the government representative, as well as the specific steps to take in preparing for and handling any potential government investigation. These steps will vary depending on the particular agency involved and the nature of the investigation.

In limited cases, you may not receive advance notice of a government request for information or investigation. For example, in the U.S., the Environmental Protection Agency and OSHA often make unannounced visits at company facilities. For this reason, the *Environmental Compliance and Practices Manual*, available on the Company intranet, has specific steps you should take in responding to such visits.

Inside Information

The federal securities laws prohibit "insider trading." Although many of us have heard of these restrictions on "insider trading," few are exactly sure what it means. Simply put, it is illegal to purchase or sell securities (for example, stocks, bonds, options, etc.) based on material, non-public information relevant to the securities.

Securities law violations are taken very seriously. Government agencies are able to monitor trading through computerized record searches, with violations resulting in potentially large civil and criminal penalties against a company and individual employees. The Securities Exchange Commission (SEC) has the right to seek penalties of up to three times the profit gained or loss avoided by insiders who trade on the basis of material undisclosed information or communicate such information to others in connection with a securities trade. The SEC may also seek criminal and civil fines against the insider and his or her company and impose jail terms of up to ten years.

As a result, it is Company policy that no director, officer or employee may buy or sell Company securities or enter into transactions with respect to Company securities while aware of material non-public information relating to the Company. Also, no director, officer or employee may buy or sell securities of another company while aware of material non-public information regarding such company that you acquire during the course of your employment at the Company.

In addition, U.S. law prohibits passing along material inside information to others. As a result, no director, officer or employee may pass along or "tip" material, non-public information to another person, recommend the purchase or sale of Company securities while aware of material non-public information, or knowingly assist someone who is engaged in any of these activities.

Federal securities laws prohibit the use of material non-public information. "Material information" means information relating to a company with publicly traded securities, its business operations or securities, which, if publicly disseminated, would likely affect the market price of any of its securities, or which would likely be considered important by a reasonable investor in determining whether to buy, sell or hold such securities. To put it another way, if the information is motivating you to buy or sell, it may be considered material. It is important to note that both positive as well as negative information can be material. Examples of *potentially material inside information* include sales results, key operating metrics, earnings forecasts, anticipated or potential mergers or acquisitions, regulatory approvals, joint ventures, litigation and product launch dates.

Information is non-public if it has not been disclosed generally to the investing public. Information is considered to have been made public if it has been published in widely disseminated media (such as newspapers of general circulation or broadcast media such as television or radio), or has been included in public filings made by the Company with the SEC. Information is not considered public under Company policy until after the close of trading on the second full trading day following the publication of such information in widely disseminated media or the filing by the Company with the SEC of reports that include such information.

As a matter of caution, you should not allow members of your household to trade in Company securities when you are prohibited from trading.

Because any trading activity that receives scrutiny will be evaluated after the fact (with the benefit of hindsight), if you have questions concerning the materiality of particular information, the cautious and prudent course may be to wait and postpone a trade until a later date when the relevant information has been made public or is clearly no longer material. You should plan ahead in this regard, because the time when you prefer to trade may also be a time when it is best not to do so. If you are in doubt as to the materiality of information or the propriety of a trade, consult the Legal Department.

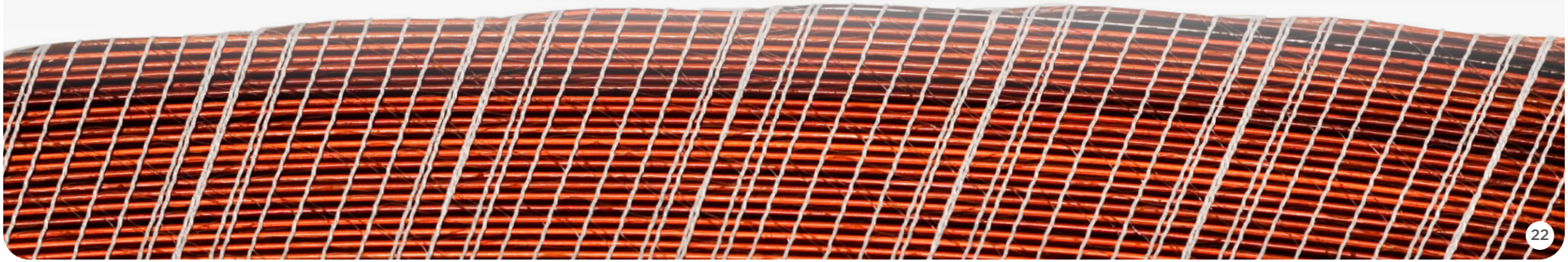
Company employees and directors who work with confidential information are subject to additional restrictions on their ability to trade in Company securities, such as limiting trades in Company securities to specified periods of time and/or pre-clearing trades with the Legal Department, as well as limitations on the types of transactions in Company securities in which they may engage. Consult the Company's *Securities Trading Policy* on the Company intranet for more details.

Improper Use of Insider Information Looks Like...

Frank, a finance person, learns that his company is in negotiations to purchase a smaller company with a key, high-margin product that would improve the company's profitability. He purchases stock in the company to be acquired.

Neal, an engineer, learns that his company is considering merging with another company. Neal immediately calls his family and encourages them to purchase additional company stock.

Three days before the announcement of quarterly earnings, Larry overhears at work that Wall Street will be disappointed with his company's quarterly results. On his way home from work, Larry calls his broker and instructs her to sell all of his company stock.



Political Activities

It is Company policy to comply with all applicable laws regarding political contributions, including those that prohibit companies from making political contributions in connection with federal and certain other elections. While the Company encourages employees to be informed voters and involve themselves in the political process, that participation is entirely voluntary and must be made on personal time. In addition:

- Employees may not make any contribution of Company funds, property or services to any political candidate, party or committee without the approval of the Legal Department.
- Employees may not use Company resources, including property, equipment or human resources (such as secretarial assistance) in connection with personal political activities, unless such activities are expressly protected by applicable law.
- Under no circumstances will the Company reimburse anyone for making a political contribution or other expenditure related to political activity.
- Employees may not pressure or solicit other employees to make political contributions or participate in support of a political candidate.
- Cooperating with or participating in political or economic boycotts is illegal in some countries and may be subject to civil and criminal penalties. Employees who wish to participate in or support a boycott must first consult with the Legal Department.
- Employees must comply with all national, state and local laws regulating participation in political affairs. This includes contributions to political parties, national political committees and individual candidates.

Inappropriate Political Activity in the Workplace Looks Like...

Nancy distributes fliers, sponsoring a political candidate running for local office, in the break room at work.

Tom, a sales manager, uses company e-mail to solicit support for his cousin who is running for state representative.

Tim distributes ticket purchase forms for a customer's favorite political fund-raiser to other employees.

Lobbying

In the U.S., communications with federal, state or local government officials and employees may trigger registration and reporting laws and regulations. The types of communications generally considered to be lobbying are communications for the purpose of influencing legislative or executive branch policy or action or other official acts, such as the award of government business. Other types of routine communications, such as requests for information or communications related to compliance with existing laws, regulations or contracts generally are not considered lobbying. In some jurisdictions, making expenditures to benefit a government official may trigger a lobbying registration and reporting requirement.

The laws and rules in this area vary substantially from jurisdiction to jurisdiction. Therefore, if your job involves communications with government officials and employees on behalf of the Company, discuss your activities with the Legal Department to determine whether you may be required to register and report under lobbying laws and regulations.

OUR COMMITMENT TO PROTECT COMPANY ASSETS

We operate in the best interests of the Company and our shareowners, and we exercise care in the use of our assets and resources.

In honoring this commitment:

- We protect all Company assets, including our computers and networks, against misuse or theft.
- We retain Company records in accordance with laws and applicable record retention guidelines.
- We safeguard the Company's confidential, proprietary and personal information against inappropriate or unauthorized disclosures.
- We protect the Company's intellectual property (such as its patents, trademarks, trade secrets and copyrights), and we respect the intellectual property rights of others.

Company Computers And Software

Internet access and other electronic communication systems—such as e-mail and voice mail—greatly aid our day-to-day business. While there are many benefits to technology, there are also added security concerns for employees and the Company. For this reason, there are a number of precautions we must take to maintain the integrity of our technology and information.

Because access to the internet puts both your computer and the entire Company network at risk, you are required to use approved mechanisms, tools and procedures for these activities.

Each of us must do everything possible to protect and maintain the security of our computer networks, including personal user IDs, passwords and pass codes. We will also protect all aspects of our computer environment, including corporate data, electronic communications and application software. We will never misuse another employee's computer password or attempt to access applications or data that we do not have authority to use.

We will only use computer software according to applicable government laws and licensing requirements. We will not make unauthorized copies of legally protected software.

We will use Company-owned computers primarily for business purposes, with occasional, non-work purposes permitted. Personal use of Company computers, including internet access, should be limited and reasonable. All documents and data, including electronic communications, and other contents on a Company-owned computer, voice mail, e-mail or telephone are the Company's property, and should not be viewed as private. Any electronic information may be retrieved and reviewed by the Company or Company personnel at any time. Also be aware that in response to a lawful subpoena or other request for documents, we may be required to hand over the computer and any information contained in it.

You may not use Company computer resources or communications systems in connection with personal activities or for communications that contain or promote any of the following:

- Abusive or objectionable language;
- Information that is illegal or obscene;
- Messages that are likely to result in the loss or damage of the recipient's work or systems;
- Messages that are defamatory;
- Use that interferes with the work of the employee or others; or
- Solicitation of employees for any unauthorized purpose.

Company Assets

How we use Company assets—its buildings, equipment, vehicles, supplies, funds and your time at work and work product—directly impacts our profitability. These assets are provided to you to perform the business-related duties that your position requires and should be used only for the purpose of conducting business-related tasks. We must use these valuable assets with care, protecting them against misuse or theft.

The Company recognizes that you may need to use Company equipment and/or communications from time to time for personal use. Such use is generally allowed, provided such use:

- Is limited in duration or extent;
- Does not adversely affect your attention to or completion of your job responsibilities or those of other employees;
- Does not result in significant incremental cost to the Company;
- Does not involve personal political activity; and
- Does not otherwise violate the *Code of Ethics*.

Removal of Company property from Company facilities is prohibited unless appropriately authorized.

Creating And Retaining Business Communications

Almost all business records and communications may become subject to public disclosure in the course of litigation or government investigations. Business communications are also often obtained by outside parties or the media. Employees should therefore attempt to be as clear, concise, truthful and accurate as possible when creating any business information. Avoid exaggeration, colorful language, guesswork, legal conclusions and derogatory characterizations of people and companies or their motives. This policy applies to communications of all kinds, including e-mail and "informal" notes or memos.

The Company has defined records retention and disposal procedures to ensure that Company records are maintained, stored, and, when appropriate, destroyed in accordance with Company needs and in compliance with applicable legal, regulatory, tax, employment, trade and other requirements. These procedures are contained in the *Records Management Policy*, available on the Company intranet. You are expected to be familiar with the specific requirements for your business, records and location.

Records of all kinds, including e-mails, original documents, drafts, duplicates—as well as computer files, data stored on disk drives, hard disks, floppy disks, CD-ROMs or any other media—should be retained, altered and destroyed only according to the Company's records management guidelines. If litigation, an audit or a government investigation is pending or a request for records is made by the Legal Department, never destroy any related records. Any question related to documents involved in a lawsuit, audit or an investigation should be directed to the Legal Department.

Confidential Information

The Company's business information is very valuable and needs to be protected. Examples of confidential (or proprietary) information include: Company financial information, information about potential mergers, acquisitions or joint ventures, customer lists, marketing plans, sales and marketing data, customer and employee records, agreements between the Company and its employees or third parties and intellectual property—such as patents, trademarks and copyrights, know-how, technical data, pricing information, strategies, and information pertaining to new products and services.

All confidential information relating to Company business should be provided only on a "need to know" basis.

It is in the Company's best interests to prevent inappropriate or unauthorized disclosures of confidential information. Do not discuss such confidential information in public places where others can overhear, including in hallways, elevators, airplanes, on speakerphones if the discussion can be overheard, or on Internet bulletin boards or chat rooms. Confidential information entrusted to us by those with whom we conduct business should be similarly safeguarded. If you need to disclose any confidential information to outsiders, you must get the Legal Department's prior approval and/or obtain a written confidential disclosure agreement approved by the Legal Department.

Your obligations regarding confidentiality extend beyond your time at the Company. Even after you leave the Company, you may not disclose or in any way provide confidential Company information. At the same time, you may not disclose to the Company or Company personnel confidential information that you may have obtained at a previous employer, including trade secrets.

Improper Use of Confidential Information Looks Like...

Leo obtains a list of Essex Solutions' customers and provides it to his cousin's company that provides tools to motor repair companies.

Patents and Trademarks

Protecting the Company's intellectual property—including its patents, trademarks, trade secrets, copyrights, scientific and technical knowledge, know-how, and the experience developed in the course of the Company's activities—is essential. You are expected to protect the Company's rights in all commercially significant intellectual property and to use those rights in a responsible way.

You must identify and disclose to the Company any new works of authorship, as well as technological or unique solutions to business problems. This will enable our Company to take measures to protect these new works from infringement under proprietary information laws. Any technical innovations, discoveries, inventions, creations, system designs or a technical enhancement that an employee designs or conceives while at the Company is the sole property of the Company. Such items may also be Company property if designed or conceived after leaving the Company if they relate to your work at the Company and are designed or conceived within a particular period of time, as permitted by applicable law.

In addition to protecting the Company's intellectual property rights, it is Company policy to comply with all laws relating to copyright and trademark protection, patents, and trade secrets. Pursuant to this policy, you must respect the valid intellectual property rights of others. Copyrighted materials, including computer programs, may be used only as allowed by law or agreement with the holder of the copyright. You should avoid making unauthorized copies of copyrighted material, including

books, magazines, drawings, photographs, computer programs, etc. We will also comply with applicable laws and regulations relating to issued patents and strive to avoid infringing on patents held by others. Unauthorized use of the intellectual property of others may expose the Company to civil lawsuits and damages. Theft and misappropriation of intellectual property rights of others may result in significant fines and criminal penalties for the Company and you.

Please contact the Legal Department if you suspect that a Company patent or trademark is being infringed, if you suspect that the Company or Company personnel may be in violation of laws relating to protection of the intellectual property rights of others, or if you have questions regarding the use or protection of Company patents, trademarks, trade secrets, copyrights or other intellectual property.

OUR COMMITMENT TO OUR EMPLOYEES

The Company is committed to treating all employees with dignity and respect and to a workplace that is free from discrimination. The safety of our employees and others who work with the Company is a priority.

In honoring this commitment:

- We recruit, hire, train, promote and provide other conditions of employment without regard to a person's race, religion, gender, color, national origin, sexual orientation, age, disability, veteran status or other protected status and in accordance with applicable law.
- We do not tolerate unlawful harassment from our managers or employees.
- We promote a drug-free, alcohol-free workplace, and expect employees to perform their duties to the Company free from the influence of illegal drugs or alcohol.
- We maintain a workplace environment that promotes and protects the health and safety of our employees.

The Company's employee handbooks provide more specific guidance regarding employees and our work environment.

Equal Employment Opportunity (EEO)

We expect our managers and employees to create an inclusive environment by being open to new ideas, seeking to include co-workers and colleagues, and ensuring that others within the Company do the same. We are committed to a diverse workplace that is free from discrimination. This means that we will recruit, hire, train, promote and provide other conditions of employment without regard to a person's race, religion, gender, color, national origin, sexual orientation, age, disability, veteran status or other protected status and in accordance with applicable law. We will make reasonable accommodations for individuals with disabilities that do not cause an undue hardship in accordance with applicable law.

EEO Violations Look Like...

Doug, an employee whose disability requires him to use a wheelchair, is not invited to make customer presentations. The reason, he is told, is because the customer would feel uncomfortable with someone in a wheelchair.

Susan does not get a promotion because she would manage several male employees, who would have an issue reporting to a female manager.

Harassment-Free Workplace

The Company believes in a work environment that is free from harassment or other intimidating personal behaviors and expects its managers and employees to act accordingly. We will not tolerate unlawful harassment in any form. This includes harassment regarding racial, ethnic, religious, physical or sexual characteristics, sexual orientation or any other prohibited factor, as well as abusive language, physical aggression or disorderly conduct. More specific information concerning our policies prohibiting sexual harassment and other forms of harassment can be found in our Company employee handbooks.

Harassment Looks Like...

William has a habit of telling jokes...sex jokes, racial jokes, jokes about everyone. In fact, the jokes are interchangeable. He even has sent them via e-mail on the Company's distribution list.

Your supervisor, Tom, asked one of your co-workers, Joyce, on a date. According to Tom, Joyce turned him down, and he has vowed that "she will never get anywhere in this Company."

Reporting Discrimination or Harassment

Managers are responsible for maintaining teams that are free of harassment and discrimination. The Company promotes open communication to resolve questions, concerns or complaints involving discrimination or harassment and is also committed to providing an environment that is free of retaliation. If you are aware of discrimination or harassment, talk to Human Resources or the Legal Department. Also, be sure to consult your Company employee handbook for more information about policies and practices in this area.

Drug and Alcohol Abuse

Substance abuse—whether alcohol or drug abuse—poses a serious threat to the safety and health of our employees and customers, and to the overall productivity of our organization. The Company has a policy—which is located in our Company employee handbooks—which promotes a drug-free and alcohol-free workplace, and employees, officers and directors are expected to perform their Company duties free from the influence of illegal drugs or alcohol. In addition to pre-employment drug testing, employees may be tested when there is a reasonable suspicion of drug or alcohol abuse, or on a post-accident basis where permitted. Any employee who observes that another employee's performance on the job is impaired due to the use of alcohol, illegal substances or drugs, or that another employee is using or selling illegal substances on Company property, should immediately talk to Human Resources or the Legal Department.

Substance Abuse in the Workplace Looks Like...

John frequently entertains customers at lunch. He regularly has two or three glasses of wine at lunch and jokes about having a "buzz" when he returns to work.

Betty keeps a bottle of liquor in her desk drawer for a little "pick me up" in the middle of the afternoon.

Tom takes a drug several hours before he arrives at work, and still feels a "high" while at work.

Protecting the Environment/Health and Safety

The Company strives to protect the environment, the health of our employees and the safety of the workplace. To accomplish this, we have issued the Company's *Environmental Compliance and Practices Manual*, which is available at each facility and on the Company's intranet site. Because EHS protection is everyone's business at the Company, you are expected to:

- Comply with the requirements of your facility's EHS management system and legal requirements applicable to your facility;
- Seek to continuously improve our EHS performance;
- Maintain safe and environmentally sound operations;
- Integrate EHS considerations into your workplace and activities;
- Report to appropriate Company personnel accidents, injuries, unsafe equipment practices or conditions or actions that could cause environmental damage; and
- Contribute to the common effort to protect the natural and workplace environments.

Each Company facility is subject to periodic internal EHS audits to identify any potential compliance issues. The audit process mandates that the facility develop and implement an action plan to resolve any issues that are identified.

Unsafe Behavior Related to EHS Issues Looks Like...

To save money at his plant, Stan provides half the number of safety goggles as there are employees on the line and instructs employees to share.

Peter, a plant manager, instructs his people to dump used machine oil on unused acreage at the back of the facility.

Al, a plant manager hires a contractor to remove Company drums containing hazardous material. The contractor does not properly dispose of the drums but, instead, dumps the drums in a local lake, and Al learns about the improper disposal. Al fails to take corrective action.

OUR COMMITMENT TO RESPONSIBLE REPORTING

The Company is committed to pursuing sound growth and earnings goals. We are forthright about our operations and performance. The Company is committed to delivering accurate and reliable information to management, employees, the media, financial analysts, investors, brokers and other members of the public.

In honoring this commitment:

- We keep accurate and complete books and records and never create false or misleading reports or records, including expense reports or time records.
- We comply with Company policies, procedures and systems of internal controls designed to ensure the accuracy and completeness of our books and records.
- We immediately report any concerns about the accuracy and completeness of financial or business records.
- We follow Company policies concerning communications with the public. We forward all media and other external organization requests for information regarding the Company to Investor Relations.

Accuracy Of Company Books And Records

Accurate and timely financial and business records provide the core information that is necessary to manage our business, to maintain and safeguard investor confidence and to fulfill our obligations to shareowners, employees, customers, suppliers and regulatory authorities. Therefore, all business transactions must be properly authorized and the Company's books, records and accounts (whether computerized, paper or other) must fully and accurately reflect the Company's business transactions. These records include time sheets, vouchers, bills, invoices, expense reports, payroll and benefits records, contracts, performance evaluations and other essential Company data.

To implement these guidelines, you are expected to:

- Adhere to all laws, regulations, accounting controls and Company policies and procedures for implementing and reporting business transactions,
- Never create a false or misleading report or record by deliberately or negligently making false entries or failing to make correct entries,
- Follow Company record management guidelines,
- Always use care in reviewing documents before approving them,
- Fill out expense reports and time reports accurately and completely,
- Never create or maintain secret or unrecorded funds, assets, or accounts,

- Report to a supervisor or appropriate member of management any omission, inaccuracy or falsification regarding our business records, or the information supporting such records, of which you become aware, and
- Never intentionally make a payment or approve an invoice, expense report or other document that is incorrect, misleading or inaccurate.

Financial Information

In general, all internal and external financial records and information must be maintained in accordance with:

- Applicable U.S. generally accepted accounting principles; and
- The Company's system of internal controls.

For Company business entities located outside the U.S., we must also assure compliance with local generally accepted accounting principles and tax regulations as required by law.

No one may take any action to fraudulently influence, coerce, manipulate or mislead any person, including our auditors, for the purpose of rendering our financial statements misleading.

Internal Controls

It is the Company's policy to maintain an effective and economical system of internal control designed to provide reasonable assurance that we will be able to achieve our objectives in the following areas:

- Safeguarding of assets
- Compliance with applicable laws, regulations and contracts
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations
- Accomplishment of goals

To satisfy Company requirements to maintain a system of internal controls that will ensure the accuracy, reliability and adequacy of its books and records, the Company has adopted policies to ensure that:

- only proper transactions are entered into by the Company,
- that such transactions have proper management approval,
- that such transactions are properly accounted for in the Company's books and records, and
- that the Company reports and financial statements fairly and accurately reflect such transactions.

Failure to meet such requirements may constitute a violation of law.

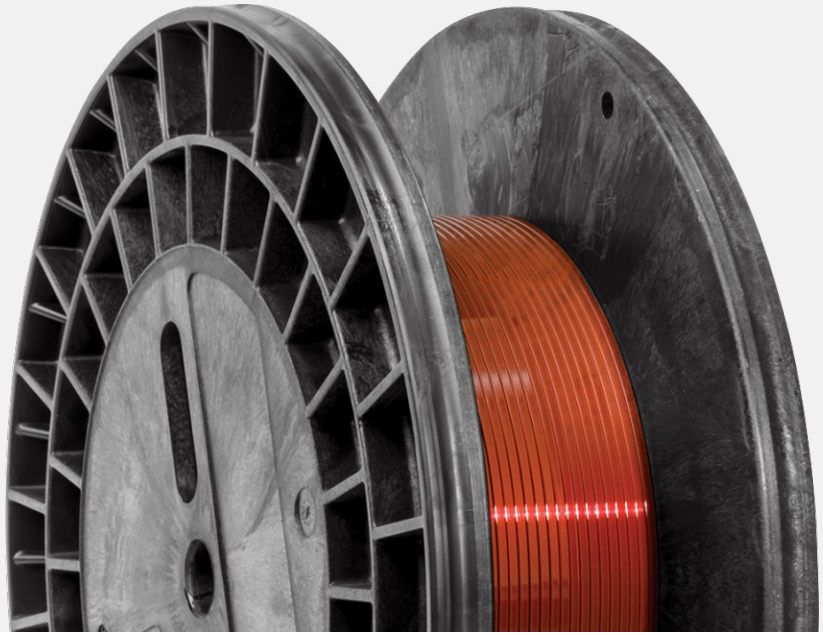
All employees having any responsibility for such activities must be familiar with the Company's policies, accounting controls, procedures and records and must comply with their requirements. The *Internal Control Policy* can be found on the Company intranet.

Communicating Accurate, Timely Information

In all interactions and communications—whether with customers, suppliers, government agencies or others inside or outside the Company—you are expected to be truthful and forthright.

All reports made to regulatory authorities must be complete, fair, accurate, timely and understandable. Budget proposals—and other financial evaluations and forecasts—must fairly represent all information relevant to the decision.

All employees are expected to comply fully and accurately with all audits, including responding in a timely fashion to requests for documents or other material from or on behalf of the Company's internal and external auditors, Human Resources, the Legal Department or management.



Improper Financial Records and Poor Controls Look Like...

Tim, an accounting clerk, is asked by his supervisor to charge ordinary operating expenses against a special accounting reserve. When he objects that this is improper and would artificially inflate income numbers, he is told that the annual bonuses of the entire team depend on making the income targets. He is also told that if he won't book the income as directed, his supervisor "will find someone who will."

Dan, a director in the Company, instructs his direct report to expense a laptop purchased for his personal use/benefit on his monthly expense report. Dan then approves the expense report. This practice bypasses the approval process in place.

At year end, a plant manager realizes that his operation already had exceeded the profit target for the year. The plant manager decides to delay the recording of shipments made until the following year in order to get a head start on the next year.

To stay within his annual budget, a plant manager asks some suppliers to delay sending invoices until the following year for goods already received.

Reporting Accounting Fraud

All employees and directors are required to immediately report any case of suspected financial misrepresentation or impropriety, including concerns about false or artificial entries or unrecorded funds or assets in the books and records of the Company. If you learn of or suspect accounting fraud, regardless of materiality, report it immediately. Call the Compliance Officer, the Vice President of Internal Audit, the Compliance Hotline or access the Compliance Website.

Fraud

Fraud—or the act or intent to cheat, trick, steal, deceive or lie—is both dishonest, and, in most cases, criminal. Intentional acts of fraud, regardless of size, are subject to strict disciplinary action, including dismissal and possible civil and/or criminal action.

It is important to understand what fraud can entail so that we can recognize it and avoid mistakes. Some examples include:

- Submitting false expense reports;
- Forging or altering checks;
- Misappropriating assets or misusing Company property;
- Fabricating or distorting the reporting of transactions;
- Inflating sales numbers by shipping inventory known to be defective or non-conforming; and
- Making any entry on Company records or financial statements that is not accurate and not in accordance with proper accounting principles.

Fraud Looks Like...

Jordan's customer takes Jordan out for dinner after he makes a sales presentation. Jordan then expenses the same dinner.

Joan, a plant controller, loans her employees money from the company, charges them interest and keeps the interest for herself.

Error Resolution

It is the Company's policy to advise customers and suppliers of any clerical or accounting errors—and to correct such errors through credits, refunds or other mutually acceptable means.

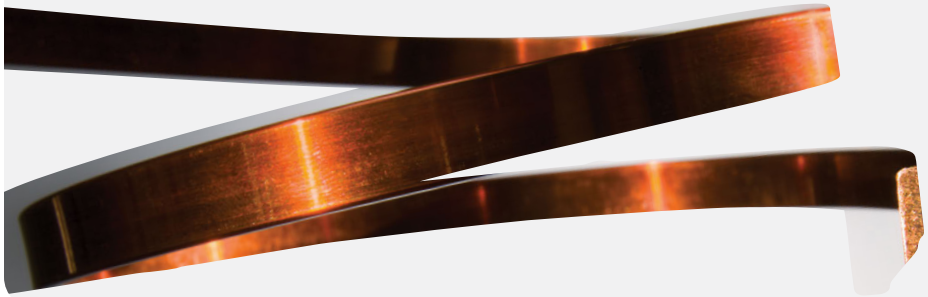
Public Disclosures, Media And Public Inquiries

All employees are expected to comply with the Company's controls and procedures to ensure that material information relating to the Company is timely recorded, processed, summarized, and reported in accordance with all applicable laws and regulations. All employees are expected to report to their supervisor information they believe might be material about the Company, but which they believe may not be known at higher levels of the Company.

The Company is committed to delivering accurate and reliable information to the media, financial analysts, investors, brokers and other members of the public. All public disclosures, including forecasts, press releases, speeches and other communications, will be honest, accurate and representative of the facts. In addition, we will provide full, fair, accurate, timely and understandable disclosure in the reports and documents that the Company files with or submits to the Securities and Exchange Commission and in all other public communications of the Company.

The Company receives attention from the news media, the financial community and from other companies. Media stories and financial reports about the Company can enhance the Company's image and products and may encourage people to invest in the Company.

However, mismanaged media and financial contacts may result in confusing messages or wrong information, with possible legal implications. For this reason, and to ensure consistent, accurate delivery of Company information, all employees should promptly forward all media and other external organization requests for information regarding the Company to Investor Relations. More specific rules regarding communications with shareowners, the media, and others are contained in the Company's *Communications Policy*, provided on the Company's intranet site.



Improper Responses to Media and Public Inquiries Look Like...

Elizabeth, an administrative assistant to a company's treasurer, receives a call from a reporter asking about a rumor that the company is selling a division. Elizabeth, without permission from her manager and Investor Relations, replies that she is not aware of such a sale, but will let the reporter know if she hears anything different.

Louisa, a marketing manager, without permission from her manager and Investor Relations, grants an interview with a local reporter and describes the reasons behind the division's improved sales and the company's resulting stock price increases.

MISCELLANEOUS

The Company does not permit any waiver of the *Code of Ethics* for any director or executive officer. Waivers of the *Code of Ethics* for other employees may only be made by the Compliance Officer in writing. Requests for such waivers should be directed in writing to the Compliance Officer.

ETHICAL DECISION MAKING

Upholding The Rules

We are counting on you to assist the Company by knowing your roles and responsibilities and letting us know when help is needed. Following are some tips on how to act responsibly in any work situation.

Know and live the *Code of Ethics* and applicable Company policies. By knowing the *Code of Ethics*, the *Standards*, the Company employee handbooks and other Company policies and making them real every day, we can all serve as role models.

Know the law and ask tough questions. We are all expected to be familiar with the laws that apply to our specific job functions and levels of responsibility. If you are not sure whether a law or rule applies, or whether it exists at all, ask.

Don't make assumptions. Do not assume that "senior staff already knows" or "management doesn't want to hear bad news." Also, do not assume that no action will be taken, or that you'll be penalized for taking action. Management is dedicated to upholding our rules. In fact, responsible managers should respond to an employee's concerns. We want you to tell us if something is wrong.

Don't ignore violations. We all need to take laws, the *Code of Ethics*, the *Standards* and the *Employee Handbook* seriously. If you think someone may be violating laws or rules, please take steps to address the situation.

Help improve controls and processes. Some violations are not detected because of a weakness in an existing control or process. In these situations, please don't hesitate to suggest improvements.

Don't be pressured. You are never expected to violate a law or rule nor should you ever feel encouraged or pressured to do so — even if the violation will improve the bottom line or help meet a performance goal.

Asking yourself these questions can help determine if a course of action is ethical:

- Are my actions legal?
- Am I being fair and honest?
- Am I acting in accordance with the *Code of Ethics* and Company policy?
- Will my actions stand the test of time?
- Would failing to act make the situation worse, or allow a "wrong" to continue?
- How would my actions look if they were reported on the front page of the newspaper?
- If I were testifying in court and asked to explain what I had done, how would I respond?

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