

CODE OF CONDUCT FOR THE ERNI GROUP





Code of conduct for the ERNI Group

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■ INTRODUCTION.

ERNI is a leading international manufacturer of electronic connectivity solutions, and is dedicated to uphold compliance to all applicable laws and regulations with internal company policies, and to act with integrity and responsibility in business transactions (“Compliance”). This policy establishes the basis for daily application for the long-term success of our company.

We have developed a Code of Conduct as a means to clarify the importance of acting with integrity for ERNI’s stability and continued growth. These regulations provide a set of expectations for compliance at ERNI globally and acts as a guideline in the event of uncertainty. It is a binding document valid for all people working for ERNI – members of the board of directors and of the group executive committee, management, and employees – and applies to all activities in all markets in which ERNI is active. The Code of Conduct is part of the corporate culture practiced at ERNI and each and every individual is responsible for it.

ERNI must continue to present itself as a competent and trustworthy partner for our customers, employees, business partners, and suppliers. It is the only manner, in which we can continue to pursue our long-term corporate goal: To be the performance leader for our customers.

Brüttisellen, December 2016



Hans Erni

President of the Board of Directors



Rudolf Hausladen

CEO

The compliance officer can be reached by email at compliance@erni.com.

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■ GENERAL INFORMATION.

RESPONSIBILITY OF THE INDIVIDUAL

Employees at ERNI are personally responsible for knowing and complying with this Code of Conduct, applicable laws and regulations and internal policies while conducting their duties for the company.

RESPONSIBILITY OF MANAGEMENT

ERNI management is responsible for compliance measures within their area of responsibility. Management provides the necessary organization and processes, monitors compliance, ensures appropriate training and support to employees, and facilitates reporting of violations. Management shall investigate and punish violations.

SUPPORT

It is often possible to prevent violations by asking for advice early. ERNI expects you to consult with your line manager, the responsible company office(s), or the compliance officer if you are in doubt about the proper behavior in a situation.

REPORTING BREACHES

ERNI expects you to report your concerns where there is reason to suspect non-compliance. If you do not feel comfortable involving your line manager, violations can also be reported to a senior executive or the compliance officer. ERNI will not tolerate any retaliation against people who report a potential violation in good faith. ERNI will treat reports as confidential as far as possible. Violations can also be reported anonymously; however, it becomes more difficult to investigate anonymous reports of violations.

CONSEQUENCES OF VIOLATIONS

ERNI does not accept any violations of this Code of Conduct. Management and employees who do not comply with this Code of Conduct will be subject to disciplinary actions and other measures under employment law. Violations may also be prosecuted under civil and criminal law.

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■ INTEGRITY IN BUSINESS TRANSACTIONS.

ERNI believes in fair competition and is committed in pursuing this as the basis of the company's long-term success. ERNI's business transactions are based on the merits of quality products and services and of competitive pricing.

BRIBERY

Bribery: Any type of bribery is prohibited. Bribery is the offering or granting of monetary or other personal advantage with the aim of obtaining or receiving preferential treatment, such as the awarding of a contract. Bribery of public officials as well as business partners in the private sector is prohibited.

Indirect payments: The use of intermediaries to circumvent the prohibition of bribery is forbidden. When commissioning third parties; such as sales agents, representatives, and consultants, you must ensure that these parties also comply with the prohibition of bribery. You must document the terms of the relationship between ERNI and third parties by means of a contract. Payments to third parties must correspond to appropriate remuneration for lawful activities provided by the third party.

Gifts and invitations: Gifts and invitations offered or granted must be limited to a reasonable and generally customary business-like courtesy. Gifts and invitations are prohibited if they could be perceived as an attempt to improperly influence the decisions of a business partner. No gifts may be given to public officials.

ANTI-COMPETITIVE AGREEMENTS

You must always comply with competition law. Agreements with competitors and business partners that restrict competition are prohibited.

Agreements and concerted practices with competitors regarding prices or quantities, the allocation of customers, markets, or territories and the awarding of contracts or bids (bid rigging) are especially prohibited.

The exchange of proprietary information that is relevant to competitors is prohibited. Proprietary data is considered information on pricing, margins and sales terms on orders as well as business and development strategies.



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■ INTEGRITY IN THE COMPANY.

CONFLICTS OF INTEREST

There must be strict separation between personal and business interests. Employees at ERNI are responsible for recognizing and avoiding situations in which their personal interests could create a conflict with the interests of ERNI. Take initiative to correct and inform your line manager in the event of potential conflicts of interest. This also applies to situations in which the interests of family members and others close to you could create a conflict of interest. Business decisions that you make for ERNI must be based on factual, objective considerations only.

Corruption: It is prohibited to use your position at ERNI to attain improper personal advantages and we do not accept such actions.

Gifts and invitations: Occasional gifts may only be accepted as part of a business-like courtesy when they are of insignificant value and to a generally customary extent. Invitations may be accepted when they are appropriate and in line with normal business practice. It is prohibited to accept gifts and invitations given with the intent to influence your decision-making in ERNI matters or that could be perceived as an attempt to improperly influence your decisions. If in doubt, inform your line manager about gifts and invitations.

Secondary occupations: Secondary occupations in competition with ERNI's business are prohibited. All other types of secondary occupations must be first approved by your employer.

Competitors and business partners: An employee's personal relationship, those of family/ other related parties to competitors or business partners must be disclosed to your line manager.

Business prospects: Potential business prospects of ERNI which you learned through your job at ERNI may not be used for your personal gain.

PROTECTING COMPANY ASSETS

You must be responsible in your use of company assets and work resources. Company assets and work resources may only be used for ERNI business purposes, with the exception of appropriate private use authorized by the employer or company policy.

Company assets must be protected from loss, misuse, theft, and misappropriation.



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■ INTEGRITY IN THE COMPANY.

PROTECTING THE COMPANY'S INTELLECTUAL PROPERTY

Intangible goods such as confidential information, company-specific know-how, software, and other intellectual property are considered part of the company assets and must therefore be protected as well. Any innovations and inventions made by employees in their job at ERNI must be reported.

At ERNI, we respect the intellectual property of third parties.

Proprietary information is to be kept confidential; and you must take all necessary measures to maintain this confidentiality. In particular, measures must be taken to protect all equipment used for IT, online banking, and communication purposes from unauthorized access and misuse. Proprietary information may only be used for ERNI business purposes. Proprietary information may only be shared within the company with other persons who require that information for their job. Proprietary information may only be shared outside of the company with management's consent, to the specific extent required, and under an obligation that the recipient maintains the confidentiality of the information, or under other protective measures. Any confidential information received from third parties must remain confidential not only if the third party has disclosed this information with an obligation to maintain its confidentiality, but also if there is an implicit interest in maintaining its confidentiality and non-use.

INTEGRITY IN ACCOUNTING AND REPORTING

It is of vital importance that company information is accurate and accounting is correct. All information and/or documents of a financial or non-financial nature that are produced within the company must be correct and complete. Appropriate documentation and control mechanisms must be in place to ensure compliant accounting and reporting. It is prohibited to maintain assets, liabilities, or transactions outside of the company accounting system.

AUTHORIZATION OF TRANSACTIONS

Transactions for ERNI may only be conducted by persons who have prior authorization in accordance with internal policies, and are made with joint signatures only.



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■ INTEGRITY IN THE COMPANY.

PRODUCT SAFETY, HEALTH AND SAFETY AT WORK, ENVIRONMENTAL PROTECTION

The safety and quality of ERNI products must be ensured at all times. Compliance with health and safety regulations and environmental protection regulations must be ensured at all times. You must abide by the statutory and internal regulations, industry standards as well as the best available technology for products, occupational, and environmental safety. Internal safety and quality policies and processes and the corresponding organizational measures must be continually revised and monitored. Quality-relevant issues must be reported to the responsible internal quality assurance officer immediately. You must immediately report any concerns you have regarding product safety, environmental safety, or safety in the work place and remove any hazards immediately.

EXPORT CONTROL

ERNI complies with all national and international customs, trade, and export control regulations that are valid in the countries in which ERNI does business.

MINERALS FROM CONFLICT REGIONS

In its business activities, ERNI does not utilize any minerals from conflict regions. It procures such minerals from trustworthy sources only and monitors this by means of relevant inspections and documentation.

HARASSMENT, DISCRIMINATION, BREACH OF FUNDAMENTAL LABOR STANDARDS

We at ERNI treat other people with trust, respect, and esteem. ERNI does not tolerate bullying or harassment, including demeaning, intimidating, or aggressive behavior.

ERNI respects the individuality of all employees. ERNI believes that people of different backgrounds, points of view, and opinions can contribute new ideas, approaches, and experiences, and by doing so, advance the company as a whole. ERNI bases its personnel decisions on objective criteria such as the skills of employees and potential candidates.

ERNI abides by the United Nations' Universal Declaration of Human Rights and the main conventions of the International Labor Organization. ERNI does not tolerate forced or child labor.



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■ SUPPLIER OBLIGATIONS.

ERNI seeks to maintain long-term partnerships with its suppliers, displaying a spirit of openness, fairness, and innovation and meet the high requirements set for products from ERNI at all times.

ERNI expects its suppliers to act with integrity and responsibility in their business transactions and comply with all applicable laws, acknowledged industry standards, and the contracts entered with ERNI. In particular, this applies to generally accepted standards in terms of working conditions, occupational safety, non-discriminatory practices, and environmental protection. Suppliers are required to have zero tolerance policy toward corruption and breaches of antitrust law and to take measures to prevent these from occurring. Suppliers are required to not use minerals from conflict regions in their business transactions with ERNI and to document compliance with this obligation.

These requirements must be passed on to sub-contracted suppliers.

In the event of violations of these requirements by suppliers, ERNI will terminate the business relationship with the supplier, unless the supplier corrects the breach within an accepted period.



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