



# Code of Conduct



## TABLE OF CONTENTS

	Page
Cover Letter	1
Corporate Mission	2
Corporate Values	2
Corporate Vision	2
The Way We Work Together	2
Use of Company Funds/Time/Property	4
Communications and Computer Use	4
Confidential and Proprietary Information	5
Gifts and Entertainment	5
Charitable Solicitations	6
Conflicts of Interest	6
Copyright Infringement	7
Fair Dealing	7
Civic Affairs	7
Individual Activity	8
Environment, Health and Safety	8
Our Environment, Health and Safety	8
Antitrust Laws	9
Financial Disclosures and Documents	9
Foreign Corrupt Practices Act	9
Government Relationships	10
International Boycotts and Export Licensing	10
Discipline and Enforcement	10

Dear Conax Colleague,

I am fortunate to be the owner of a company with over 60 years of tradition for high quality, innovation and above all a strong track record of integrity. When establishing our strategic plan a number of years ago we polled our employees on various subjects. The one common theme that was always mentioned was the integrity of the company and its people. As the CEO of the company I want to keep integrity at the forefront of everything that we do!

It is this strong regard for integrity that has led us to publish a Conax Code of Conduct. I hope this document will guide us in making the correct decisions and taking the appropriate actions so that we can maintain the credibility of our company and our people.

I hope that you will read this document carefully, familiarize yourself with the guiding principles it spells out. If you have any questions regarding the implementation of the policies or what to do in any situation do not hesitate to contact Human Resources, your supervisor or us to determine the appropriate actions for the circumstance.

This is a continuous journey. The true measure of integrity is doing the right thing when no one is looking and there are no consequences to pay for inappropriate behavior. Our ethical and moral principals are what we have to guide us into 'doing the right thing'.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Robert A. Fox', with a long horizontal line extending to the right.

Robert A. Fox  
President & CEO

## **Corporate Mission**

Conax Technologies serves our worldwide customers with dedicated employees providing technical expertise, a commitment to excellence and a willingness to develop responsive and innovative solutions.

## **Corporate Values**

### **Integrity**

Creating a workplace that promotes ethical judgment, honesty, trust and respect at every level.

### **Commitment**

Working every day to achieve our goals and make a positive difference.

### **Innovative Thinking**

Welcoming and encouraging creative solutions that have unlimited possibilities leading to growth and new ideas.

### **Customer Service**

Providing our customers with service, product and support that meet their expectations.

### **Teamwork**

Blending our individual skills, talents and abilities to form a more competent group that works and learns together.

## **Corporate Vision**

Conax Technologies will be recognized as one of the world leaders in the design, manufacture and distribution of specialty temperature sensors and pressure/vacuum seal fittings and other synergistic products.

Corporate growth will be fueled by:

- Providing niche markets with innovative solutions that are performance driven, while providing CT with exceptional return on investment;
- A company of talented, well-trained and dedicated individuals, working together to meet each customer's expectation in all aspects of our business, with ever expanding opportunities for personal achievement.

## **The Way We Work Together**

### **Understanding and Reporting Code of Conduct Violations**

Every employee, regardless of where you work, is called upon to make decisions. And those decisions must be made within a context of rules – of what is acceptable and what is not, legally and ethically. Each of us also has a responsibility to ensure that the company's business is conducted in a manner that upholds our beliefs, as stated in this code, and within the bounds of the law.

Unethical or unlawful behavior hurts Conax, but it also hurts us as employees, our customers and our owners. If you know of fraud, abuse or other violations of this Code, we want you to report the incident and it is your duty to report it. If such incidents do occur, despite our vigilance, the legal system takes into account our compliance efforts.

Conax will promptly investigate employee reports of unlawful or unethical behavior. Appropriate people will be involved to complete the investigation. Within local, state, federal and international law, it is Conax's intent to protect your confidentiality and anonymity. Conax will not retaliate against you for reports made in good faith.

Whether you are looking for information to help guide you in making decisions or to report an incident, you have options:

- Discuss any issues or report any perceived wrongdoing to your supervisor.
- Talk with the human resources department or with any other manager.

If you, as a supervisor or manager, receive a question that you cannot answer, contact human resources for information. If you receive a report of a violation, contact human resources for information immediately. Human resources will take the necessary course of action. If you believe your concern can only be addressed at a higher level, you should contact an executive officer or member of the Board of Advisors.

### **Valuing the Individual**

We know that in the end, the commitment and contribution of all our employees will determine our success. Conax believes in the fundamental dignity of the individual. Our workforce consists of a mixture of people of diverse nationality, race, gender and opinion, and this diversity will continue to be a source of our strength. We value the unique ability of each individual to contribute, and we intend that every employee shall have the opportunity to participate fully, to grow professionally and to develop to his or her highest potential.

This corporate value guides our company's behavior. Conax hires and promotes employees on the basis of their ability, skill and performance as it relates to the company's business needs. Wherever we do business, we will comply with all ethical and legal standards in the recruitment, selection, retention, and promotion of our employees. We will apply these same standards when discipline or termination is necessary.

Conax does not condone nor tolerate any form of discrimination or harassment. We are committed to creating a business environment that values each person for his or her unique contribution. Conax has a zero tolerance policy against harassment of any kind, including any action in the workplace that intimidates, insults, offends, or ridicules an employee because of race, color, age, religion, national origin, sexual orientation, disability, or veteran status. This policy applies to all employees in all company locations, company sponsored social events, and all activities where you represent Conax. This policy also applies to non-Conax personnel working with or within Conax. All such incidents must be reported to human resources immediately. Failure to report an incident is a violation of this policy as well.

We have specific policies to deal with discrimination and harassment and will be conducting educational sessions to assure compliance.

Additionally, Conax is committed to providing a safe and productive work environment. We have specific training programs and policies to assure a safe environment. This includes a workplace free of drugs and alcohol and a working environment that complies with all laws and regulations regarding workplace safety. As part of this commitment, Conax requires pre-employment drug screening for all new employees hired in the United States, as well as those employees returning from an extended absence of greater than 150 days. If you have questions about any of these policies or procedures, or any issues that arise in the workplace whatsoever, please contact your supervisor or human resources.

### **Use of Company Funds/Time/Property**

As employees, we should be aware of what constitutes misuse of company funds and property. This is a broad area that includes use of company time, computers, property and services for conducting personal business.

Company funds, time spent while at work and company equipment, property and supplies are to be used only for authorized business purposes. This prohibits the use of company funds for personal expenses.

In addition, you must record and describe accurately all transactions using Conax funds. Conax issues payments and is paid for products and services strictly in accordance with supporting documents, such as purchase orders and invoices.

Conax reimburses employees for legitimate, reasonable and normal business expenses. Employees are responsible for accurately recording expenses, for providing the proper documentation and for submitting in a timely manner only appropriate business expenses.

Appropriate business expenses include necessary travel, lodging and materials used to conduct business. Expenses such as house sitting, the purchase of personal gifts or care of pets are not appropriate. Expense reports should be submitted on the appropriate form. Attach all original airline ticket receipts and original receipts for all expenses. Refer to the Corporate Travel Guidelines for a complete definition of what is appropriate or inappropriate.

All expense reports must be reviewed by the immediate supervisor and submitted for departmental approval. Conax audits the use of company funds and expense reports as part of its review of compliance with corporate accounting policies and Internal Revenue Service laws and regulations.

### **Communications and Computer Use**

Conax computers, software, voice messaging and communications systems are company property. Use them for business purposes only and not for personal benefit or non-Conax purposes, unless such other use is expressly authorized by your supervisor.

Employees cannot use Conax computers, software, voice messaging or other communications for improper, offensive, derogatory, defamatory, obscene, sexually explicit, destructive or other inappropriate purposes.

Employee communications transmitted by Conax computers, software, voice messaging or corporate communications systems are not private. Conax can monitor their use (including review, copying or deletion of messages) and access messages and files through its authorized personnel.

Employees are reminded that their use of public information networks (such as the Internet), including communication at any “chat room” must conform to Conax’s confidentiality and proprietary information policies. Before communicating across a public information network, employees must ensure that communication will not compromise the interests of the company.

### **Confidential and Proprietary Information**

All Conax information that is not public is considered proprietary information. You are responsible for properly identifying and protecting that information.

Protecting Conax proprietary information is critical. It’s critical for the business to remain competitive, and that translates to our future and our jobs. The rights associated with Conax’s proprietary information must be safeguarded, whether in written, unwritten or electronic form. Confidential work or Conax proprietary information must not be disclosed to or discussed with outsiders, the news media or with people or other employees who do not have a specific need to know.

The same guidelines apply to confidential and proprietary information belonging to suppliers or customers which is shared with employees based on the need to know. Again, you are responsible for properly identifying and protecting that information. Not doing so can expose Conax competitively and legally.

Employees should follow the same guidelines in obtaining data about other companies. No illegal means may be used, including trespassing on a competitor’s property, offering to buy information, planting an agent on a competitor’s payroll, improper computer downloading, electronic eavesdropping or theft.

The improper disclosure or use of company information for personal gain is prohibited by law. Contact Conax’s Director of Engineering for clarification regarding confidential and proprietary information. In this connection, you should review your obligations under the Employee Invention Confidentiality & Non Competition Agreement.

### **Gifts and Entertainment**

The basic guide on gifts and entertainment is that Conax employees should not give (or accept) gifts or entertainment that we could not claim for reimbursement on our own expense reports.



Employees may not accept gifts, payments, fees, services, discounts, valued privileges or other favors where these would, or might appear to, improperly influence you in performing your duties for Conax. You should not provide or give gifts or favors to others where these might appear to improperly influence their relationship with Conax.

Conax employees can accept or give common courtesies normally associated with accepted business practices, so long as these are not in a form that could be construed as a bribe, payoff or secret compensation. Special rules prohibit any payments or courtesies in the government contract context. You cannot even provide meals to a government representative. The use of bribes, secret compensation or kickbacks is illegal and improper and will result in immediate disciplinary action.

Normal business-related entertainment may be accepted or given. For example, you may participate in functions and activities connected with seminars, exhibits, trade shows, meetings or presentations that incorporate meals and/or customary entertainment. Functions involving overnight stays for entertainment must have prior approval from your supervisor.

### **Charitable Solicitations**

It is Conax's policy not to provide Conax supplier contact lists to any charities for solicitation or other purposes. Employees should not give out or use Conax supplier lists for anything other than Conax business purposes. Supplier lists are proprietary business information and should be treated as such.

Conax's business choices of its suppliers are based solely upon bid prices, quality and ability to do the work. These choices are not influenced by a supplier's giving or not giving to any particular charity.

Conax does not solicit charitable donations from other companies or suppliers. Employees will not request that other companies or suppliers make charitable donations by implying that affects their business or future with Conax.

### **Conflicts of Interest**

Individuals or corporations should be chosen to do business with Conax solely on the basis of Conax's best interests. An employee's personal interest must not influence that choice.

A potential conflict exists when you have an interest in or connection with a commercial enterprise that does business with Conax—where that interest might affect or appear to affect your decisions. The conflicting interest might be held directly by you or by a member of your family, or by a business in which you may have direct or indirect interest. The conflict might be financial or otherwise.

To determine whether a conflict exists, ask yourself: How much business does the outside enterprise do with Conax, both relative to its total business and to Conax's business? To what extent is the affected employee in a position to make or influence Conax's transactions with the outside enterprise? Does the interest of the employee affect or offer the possibility of affecting the objectivity of his or her business judgment?

Common business transactions that involve potential conflicts of interest include the:

- Sale of products
- Purchase of materials, supplies and equipment
- Purchase and lease of real estate
- Purchase of advertising space, time
- Investment or borrowing of funds
- Purchase of insurance
- Selection and use of consultants

Employees and their family members may not serve as officers, directors, employees, agents or consultants of another company or organization that is a current or potential supplier, customer or competitor of Conax, except with the consent of the Conax ownership.

If there is a question as to whether a conflict actually exists, assume there is. You should report any potential conflicts of interest to your supervisor or human resources.

### **Copyright Infringement**

No one employed by Conax, whether an employee, contractor or consultant, may duplicate copyright materials without permission of the license holder. This includes printed materials for public distribution, duplication of music or recorded materials and duplication of licensed computer software.

Licensed computer software or related documentation should not be duplicated for use either on Conax premises or elsewhere unless Conax is expressly authorized to do so by agreement with the licensor. Employees must not give software to any outsiders including clients, customers, contractors and others. Employees shall use software on local area networks or on multiple machines only in compliance with license agreements.

### **Fair Dealing**

Employees shall deal fairly with Conax's employees, customers, suppliers and competitors. Do not take unfair advantage of anyone through manipulation, concealment, abuse of privileged or proprietary information, misrepresentation of material facts or any other unfair or dishonest practices.

### **Civic Affairs**

#### **Corporate Activity**

Conax strives to be a good corporate citizen in the community. It supports and promotes significant community planning, health-care, cultural, educational, welfare, recreation and civic improvement programs.

As a corporate citizen, Conax will from time to time take a stand on public issues, particularly those that affect its interests and the interests of employees, owners, customers or suppliers.

## **Individual Activity**

Conax encourages employees to participate in community affairs. If you wish to take part in a community effort during business hours, you must obtain your supervisor's approval. In such cases, you should decline any remuneration. Any community activity during non-working hours requires no approval, and it is solely at your discretion whether to accept remuneration.

Honoraria (fees paid for speaking, participating in workshops, seminars) or similar payments should be declined if your participation is based on your work at Conax. You may, however, accept honoraria or similar payments when your participation is based on your work or interests outside of those associated with your employment at Conax.

All employees are urged to become registered voters, to inform themselves on issues and candidates and to vote in political elections. Further, you are encouraged to support the political party of your choice with your time, talent and money.

Employees frequently express their opinions publicly on issues, however; make it clear when you are speaking as a private citizen. This is particularly important if people might assume you are a Conax spokesperson. Speaking publicly to the news media about Conax is prohibited without approval of human resources.

Communication expressing personal opinion must not appear on Conax letterhead, nor be linked to your position at Conax.

## **Environment, Health and Safety**

Conax's policy is to design, construct and operate facilities in a manner that will not endanger the health and welfare of humans, nor harm plant and animal life in the surrounding environment. We strive to meet and often exceed the level of compliance the law requires and continually aim to be a leader in health and safety and environmental protection in our industries. In practice, this means that Conax provides a safe work environment for its employees and will not adversely affect the living environment of our neighbors. This is not possible, of course, without the personal attention of each of us. This requires that we work to prevent issues from arising and that we be aware of how to mitigate environmental, health or safety incidents should they occur. We provide continuous education in these areas.

### **Our environmental policy is based on a four-step process:**

- We strive to eliminate or minimize the production of pollution at its source. This involves designing, constructing and operating processes that maximize raw material usage.
- If waste materials must be produced, we strive to continually recycle those materials back into our processes or into other usable materials.
- If we find that waste materials will be emitted from our processes, we will evaluate the impact and strive to install the appropriately sized treatment systems available to minimize the impact of those emissions on the environment.

- We dispose of waste materials in ways that are approved by environmental agencies and minimize the potential for environmental harm, now and in the future.

## **Antitrust Laws**

Conax complies with antitrust laws applicable to its business activities. These laws forbid: 1) price discrimination; 2) monopolization; and 3) contracts, combinations or conspiracies that unreasonably restrain trade or tend to reduce competition. This compliance is not to be compromised. Any employees who violate the antitrust laws will lose their jobs and also face legal prosecution.

- Employees must not enter into any agreement, understanding or plan (written or oral) with any competitor with regard to price, terms or conditions of sale, production, distribution, territories or customers.
- Employees must not exchange or discuss with a competitor pricing, marketing plans, manufacturing costs or other competitive information.
- Employees must not engage in any other activity that counsel for Conax advises them would violate any antitrust law.
- Employees must not enter into any agreement, understanding or plan with any customer in regard to any activity that will affect directly the economic or competitive position of any other customer where this activity is in violation of any antitrust law.

Because antitrust laws are complicated review your proposed actions with the department head, executive vice president, or president before making any changes to pricing plans, distribution arrangements or marketing plans.

## **Financial Disclosures and Documents**

Employees must provide full and accurate disclosures requested by Conax internal accountants and financial personnel, as well as outside public accounting firms performing internal audit and external audit services for Conax. Actions to improperly influence auditors are illegal. Employees cannot directly or indirectly act to fraudulently influence, coerce, manipulate or mislead any accountant or auditor for the purpose of rendering financial statements misleading.

Employees must comply with Conax's written record retention guidelines. Do not tamper with or destroy electronic or paper documents supporting a required audit trail or financial reporting until the guidelines show those documents are no longer required.

## **Foreign Corrupt Practices Act**

The Foreign Corrupt Practices Act imposes legal requirement on management to keep fair and accurate financial records, in reasonable detail. It also requires us to devise and maintain a system of internal accounting controls.

The Act also prohibits all U.S. corporations and their officers, directors, employees, agents or stockholders from bribing government or political officials. Violation of this Act subjects Conax and its officers and employees to civil liability and criminal prosecution.

Conax obeys all sections of the Foreign Corrupt Practices Act. To comply with accounting and control requirements Conax maintains a system of procedures, policies and operating guidelines that comply fully with the Foreign Corrupt Practices Act.

### **Government Relationships**

Conax and any wholly owned subsidiaries will cooperate fully with the U.S. government in assuring its requirements are met. All applicable laws and regulations governing government contracting will be followed. Conax will work with the appropriate agencies to resolve any issues that might arise concerning performance of such contracts.

Employees involved with government contracts should be familiar with appropriate government regulations, including the Procurement Integrity Act, the Anti-Kickback Act, the Byrd Amendment and defective pricing regulations.

### **International Boycotts and Export Licensing**

Conax follows the direction of the U.S. Department of State and Department of Commerce in business with other countries. This includes complying with laws on re-exports of controlled commodities, and not participating in boycotts against countries having formal diplomatic ties with the United States. Conax abides by federal regulations regarding U.S. government export control compliance regulations for restricted technologies.

Accordingly, Conax will not take any action, including the furnishing of information, signing of agreements, solicitation or the acceptance of orders that would improperly re-export or transfer a controlled commodity, be discriminatory or that would further or support any restrictive trade practice or boycott against a country having formal diplomatic ties with the United States. Further, Conax will not answer requests for information that might be used to support these practices.

### **Discipline and Enforcement**

Failure to comply with the laws or regulations governing the company's business, this Code of Conduct or any other Conax policy or requirement may result in disciplinary action and legal proceedings where warranted.

You should communicate any suspected violations of this Code of Conduct promptly. Three reporting options are:

- Discuss any issues or report any perceived wrongdoing to your supervisor.
- Talk with human resources, or with any other supervisor.
- Notify the president, managing director or vice president.

**Remember**

Is the action legal?

Does it comply with our values?

How would this look in the newspaper?

Would you feel comfortable telling someone else about your decision?

If you're not sure, ask—and keep asking until you get an answer. Integrity remains our bottom line.

**NOTES:**



