CiS – CODE OF CONDUCT

Code of Conduct

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MISSION STATEMENT - Commitment to integrity

Integrity is part of our company's understanding of what it is.

It is essential that sincerity, honesty, openness, a strong sense of justice and trustworthiness determine the actions and conduct of each employee with mutual respect within the company and externally. Our motto "connect with confidence" is not an advertising slogan but the way we understand ourselves.

Our company's credibility and the trust of our clients, suppliers, banks, employees and the public are influenced decisively by the behaviour of each individual employee.

We expect all CiS employees to know the principles of the CiS Code of Conduct and to observe them at all times. We have values that make our actions predictable and that give us and our business partners security. We support and live out the 10 principles of the "Global Compact" of the United Nations; they also form the basis for our values.

It goes without saying that employees of the CiS group shall observe the respective laws of the states in which they operate and respect and observe generally recognised customs consistent with these laws. These include, for example, laws on the criminality of bribery and corruption in business dealings and, for example, the internationally applicable human rights that set our social standards, but also good manners and customs.

The present Code of Conduct is binding for all CiS employees. We assume that all management staff in our company live (out), clearly communicate and independently ensure compliance with the principle of integrity imparted by these regulations.

CiS electronic GmbH, May 2014

Peter M. Wöllner	Andreas Cellar	Ralf Kühn	Doris Wöllner
Managing Director	Managing Director	Managing Director	CSR Officer

1. CONDUCT TOWARDS BUSINESS PARTNERS

A clear line must be drawn between the normal framework of a business relationship and private interests when dealing with business partners (clients, suppliers, banks, competitors, etc.) and representatives of official and state bodies.

CiS sets the highest standards in avoiding and fighting any form of corruption and adheres to respective applicable anti-corruption laws without reservation.

The offering, conferring, demanding or acceptance of money or valuables in connection with any and all business activities is strictly prohibited for CiS employees.

All business transactions must be fully and properly documented in agreement with statutory provisions and the requirements specific to the client (e.g. tax and commercial obligations to retain annual accounts, accounting documents, business letters and contracts).

In any cases, business partners may contact our responsible managing director CFO, Mr. Ralf Kühn, +49 2151 – 378790 or r.kuehn@cis.de, Krefeld company address. These queries will be processed neutrally and under strict confidentiality.

1.1 Conflicts of interest

CiS expects loyalty towards the company and its business partners from its employees. All employees must avoid situations where their personal or financial interests conflict with the interests of the company or the interests of the business partners. This also means that employees should not state private opinions in connection with their role in the company in public.

1.2 Offering and conferring gifts or other benefits

Benefits of any kind by CiS employees to business partners, their employees or other third parties in return for preferential treatment are strictly prohibited.

Payments and return payments (e.g. discounts) for contracting parties may only be paid on a contractual basis and to the business account of the business partner.

Courtesy gifts which to some extent are part of normal business practices should in any case be arranged so that the recipient does not have to conceal its acceptance and that he is not forced into a position of binding dependency. The accepted threshold value of € 35 for tax-deductible operating expenses may serve as a guideline here. Gifts of higher value are always subject to the approval of a superior. The negative tax implications for CiS should also be taken into account.

Invitations (e.g. relating to hospitality or events) to business partners or their employees may only be made if they do not overstep the normal bounds of business.

1.3 Demanding or accepting gifts or other benefits

Gifts or invitations by business partners are to some extent part of normal business practices. However, acceptance may lead to conflicts of interest and jeopardise the company's good reputation.

No employee may use his position or role in the company to demand, accept or obtain personal advantages. The acceptance of occasional gifts of low value is permitted. The acceptance of gifts beyond this and other advantages granted for oneself and related persons must be communicated to a superior and requires his or her approval.

1.4 Representatives of official bodies, political donations, sponsorship

Personal benefits of any kind must not be offered to officeholders at home or abroad.

Exceptions include normal gestures of politeness such as hospitality or other allowances which have low, normal and appropriate value and which do not influence decisions relevant to business. Any kind of personal allowance like this requires approval from the superior. Bear in mind that the administrative regulations for the conduct of governmental bodies in this regard sometimes provide for different and very low values, meaning that the utmost restraint is generally advisable.

1.5 Rejections of business relations under certain conditions

CiS does not enter into business relations with business partners that violate international human rights such as child labour, forced labour, gross breach of occupational safety measures, etc.

1.6 Expectations for our suppliers and business partners

Our suppliers and business partners are particularly important in supporting the regulations of conduct mentioned. We expect all suppliers to share the value principles of CiS and to ensure compliance with ethical standards and statutory provisions. The basis for business relations is the strict adherence to the 10 principles of the "Global Compact" of the United Nations; they also form the basis for our values.

Procurement of primary products:
We expect our suppliers to act as a responsible social company in procuring primary products, components and raw materials. This also includes the fact that these procurements are not carried out in those regions where war and oppression are funded with the money from the extraction of raw materials. This includes in particular the materials tantalum, gold, tin and tungsten from the Congo region and neighbouring countries. We rely on your responsible conduct and assume in good faith that as our supplier, you will only use materials which do not come from this region if a separate notice is not included in the delivery.

1.7 Trading controls

In principle, CiS follows all export control and customs laws and regulations applicable to its business activities in the respective countries. Export control laws may apply in connection with direct or indirect exports or imports from or to sanctioned countries or in connection with third parties against which, for example, there are allegations regarding national or international security or which are involved in criminal activities. Violations of these laws and regulations may lead to severe penalties such as fines and governmental withdrawal from simplified import and export procedures (i.e. interruption of the seamless supply chain).

2. CONDUCT TOWARDS EMPLOYEES

Our regard is the same for all employees. Our company therefore stands out due to the fact that all of its employees are polite, fair and open to one another and treat one another with understanding, respect and tolerance.

Accordingly, we expect each of our employees to deal with colleagues and co-workers on all levels and in all areas of the company in an objective, friendly and fair manner. All managers and employees with leadership responsibility are obliged to live this Code of Conduct as a model for all employees.

2.1 Dealings with each other – discrimination

No employee may be discriminated against, i.e. disadvantaged for no objective reason, based on his or her race, sex, age, nationality, ethnic origin, skin colour, political opinion, sexual orientation, religious conviction, social background, physical constitution or other personal characteristics.

We encourage all employees to generate an atmosphere of respectful cooperation where any kind of personal harassment is excluded, including workplace bullying, unwanted sexual advances, unwanted physical contact, indecent propositions or a working environment poisoned by rude or hurtful comments or humiliation. We also encourage in particular stabilising friendships between German, Czech and Polish employees and consider ourselves a “CiS family”.

2.2 Occupational safety and health protection

The health of our employees is our top priority. CiS guarantees occupational safety and health protection in all workplaces and fulfils all national provisions in this regard. The consumption of alcohol is prohibited and in principle it is not consumed directly before or during working hours. Exceptions for special occasions (e.g. wedding, birth of a child, major contract, etc.) require the consent of management, where statutory regulations are to be followed and the safety of employees and the company are not jeopardised. A glass for raising should be the standard here. It goes without saying that smoking is prohibited in all areas. All technical devices, machinery and plants, alarm and fire systems, defibrillators, etc.,

are monitored for your technical safety. All CiS employees are encouraged to actively cooperate in the continuous improvement of occupational safety and health protection.

2.3 Dealing with internal knowledge

CiS employees communicate openly with one another and exchange information as a matter of course.

Knowledge relevant to the activity must not be unduly withheld, falsified or passed on selectively. Information should be passed on to other departments properly and in full, always provided that there are no other priority interests (e.g. secrecy).

2.4 Environment

With the introduction of active environmental management, CiS ensures that the effect on the environment and the conservation of resources will be as effective and as reasonable as possible. CiS has the energy efficiency of specialist companies checked from time to time in order to uncover and tap any potential for optimisation. CiS also participates in the environmental initiative “Welt-Wald-Klima” by the “Senate of Economy” and encourages CO2 reduction by supporting global reforestation. (www.senat-deutschland.de) CiS electronic GmbH has been climate-neutral on all its sites in Germany since July 2012. (See www.cis.de)

3. CONDUCT TOWARDS THE COMPANY

The commitment to integrity is also reflected in our daily business practice.

CiS employees are loyal and always treat the company’s assets in a careful, responsible, economical, environmentally friendly and legally compliant manner. Each employee is responsible for the quality and performance of his work and is also aware of the fact that human life may depend on the quality of our products.

3.1 Company property

Each employee will ensure that the property of CiS and the property of our clients and business partners entrusted to us will be protected against damage, loss, theft or misuse. It goes without saying that one should not look away when this rule is disregarded but rather one should actively step in with moral courage and flag up any breaches.

The private use of company property, including work services, equipment, buildings and other assets is prohibited – unless permitted by special agreements. Company facilities and property also may not be removed from the company’s premises without the express permission of the competent authority within the company.

Intellectual property is also a valuable asset which we protect from unauthorised use and disclosure. These include business secrets, confidential information, copyrights, trademarks, logos and client lists, business opportunities and product specifications. Protection applies irrespective of whether the intellectual property is owned by CiS, affiliated companies or business partners.

Each employee respects the protection rights of third parties in force and shall not use them without authorisation. No employee may acquire or use secrets of a business partner or other third party without authorisation.

3.2 Confidentiality

CiS employees will protect all operating and business secrets from being disclosed to unauthorised persons. This applies both for the duration and after termination of the employment relationship. These also include internal company interests as well as any information on CiS clients and their business secrets.

Internal and external information are subject to the protection of absolute secrecy. The only exception to this is information already accessible to the public or to third parties or which is requested by official bodies.

In the event of conflicts of interest within the company, we avoid any negative external impact. We will maintain absolute silence towards third parties and seek an internal solution. The company's interests and confident interaction in terms of business relations with clients, business partners and the public must not be harmed under any circumstances.

3.3 Communication with the public and the media

Company data and information will be disclosed to the public and the media exclusively by the CEO Managing Director, or with his approval.

This includes financial data, information on accidents and crises, mergers and takeovers or staff changes in the management structure. Business-related information exchanged directly with individual business partners, authorities, banks, auditors, etc. should be communicated carefully by expressly authorised employees.

The COO Managing Director is also responsible for product and marketing information.

Irrespective of whether the statements can be interpreted positively or negatively for CiS, approval should be sought for individual employees to state their opinions relating to the company to the media.

3.4 Data protection

We collect, process and use personal data only to the extent that they are necessary for specified, explicit and legitimate purposes.

At CiS we take measures to protect data that the company receives from employees, business partners and clients. Our measures, safety concepts and processes are monitored and audited by a neutral data protection supervisor.

The use of data must be clear to the person concerned; their rights to information and correction, as well as to revocation, blockage and deletion, if necessary, should be protected.

An essential component of data security is the internal CiS guidelines which regulate in detail the way to deal with the respective communication systems (IT systems, email, Internet, intranet). These regulations are binding for all employees.

4. APPLICATION; COMPLIANCE WITH AND IMPLEMENTATION OF THE CODE OF CONDUCT

With our Code of Conduct we are committed to our ethical basic principles. At the heart of our company values lies the honest, direct and fair interaction with our employees and clients. We are friendly to the environment and use raw materials and energy economically. Standards are included in it which are binding for each employee in the CiS group. It should also help to overcome legal and ethical challenges in daily work, create a sense of direction and thus further increase trust in the company's performance and integrity.

There are no alternatives to personal integrity and a healthy judgment. Each employee that finds himself faced with a difficult situation should ask himself the following questions:

- Is my action or decision legal?
- Does the action serve the economic goals and strategies of CiS?
- Does it match our values, our concept of quality and meet our guidelines?
- Is it right objectively and free of personal interests?
- Does my action or decision stand up to scrutiny?
- Does my action or decision protect the reputation of CiS as a company with high ethical standards?

If all questions can be answered with "yes" then the action or decision is correct as far as is humanly possible to judge and meets the preceding guidelines of the Code of Conduct.

4.1 Introduction of the Code of Conduct and questions

The Code of Conduct will be handed over to management, especially the executives and department managers of the CiS group and can be viewed in its current version on the intranet and on our homepage. It is the task of each manager to ensure that the employees entrusted to him receive a personal exemplar of the Code of Conduct, and know and follow its contents. Newly employed employees will receive sufficient training during the probation period which will be documented in the personnel files until the end of the probation period.

If there are any questions or uncertainties regarding proper conduct, each employee may confidentially contact our works council, his superior or the competent CSR officer Ms. Doris Wöllner in her role as ombudsman Ombudsmann@cis.de, Krefeld company address or the

Czech Republic. In principle, the respective manager is responsible for compliance with our regulations in his area of responsibility.

4.2 Violations and sanctions

Violations of the Code of Conduct may result in consequences for the employment relationship and its continuation as well as in claims for damages. Each employee can be sure that comments regarding violations are conducive to our value concept and are not detrimental to him personally.

5. Appendix: The Ten Principles of Global Compact

CiS supports the ten principles of the Global Compact of the United Nations with its Code of Conduct:

The UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights,
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work,
- The Rio Declaration on Environment and Development,
- The United Nations Convention Against Corruption

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

Labour

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

- Principle 7: businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

- Principle 10: businesses should work against corruption in all its forms, including extortion and bribery.

The Management, May 2014