

# ***Ethics Policy***



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**Electro Industries/GaugeTech**  
*The Leader In Power Monitoring and Smart Grid Solutions*

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January 10, 2013

Dear Colleagues,

Throughout EIG's history, we have prided ourselves on behaving with integrity and in accordance with our Ethics Policy. It is imperative that this Policy is clearly understood and embraced by all of our employees. We pride ourselves on our deep culture of integrity and ethical behavior.

EIG's ongoing success stems from strengthening relationships with our customers, employees, suppliers and communities. We nurture these relationships when we behave with unquestioned integrity. This Ethics Policy defines how we treat each other with fairness, dignity and respect.

I encourage you to regularly refer to the Ethics Policy. When you have further questions about your interactions with customers, fellow employees, suppliers or others, please ask for guidance from your supervisor or from a member of Human Resources.

Thank you for continuing to uphold our company's commitment to integrity.

Sincerely,

A handwritten signature in black ink, appearing to read "Erran Kagan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Erran Kagan

Chairman and Chief Executive Officer

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# Introduction

## WHY YOU SHOULD CARE ABOUT THE ETHICS POLICY

Life would be easy if every decision came down to clear-cut choices: yes or no; good or bad; right or wrong. But in a complex, intensely competitive business, the choices you face on the job aren't always so clear-cut. Ethical dilemmas are a reality of our world - and the EIG Ethics Policy gives us all a framework to identify and address those dilemmas.

### **It's good for business!**

- Acting with integrity empowers EIG to uphold our reputation, attract and retain outstanding employees, and meet the high expectations of our customers, partners and communities. In short, the Ethics Policy gives us a competitive advantage.

### **It's good for you!**

- The Ethics Policy promotes a common understanding of right and wrong across all EIG businesses, wherever we operate. You know what you can expect when you're at work, and what is expected of you, your colleagues, our partners and suppliers.

Though you yourself may not face some of the ethical dilemmas addressed in this Ethics Policy, reading the Guiding Principles will give you a clear understanding of the behaviors expected of everyone.

## TAKING ACTION

### ***Must I Report a Violation of the Ethics Policy?***

- We expect everyone to let us know about any suspected violation of our Ethics Policy. A potential violation is a serious matter. We're all responsible for protecting our culture of integrity. EIG also protects you: We do not allow retaliation for good faith reports of possible ethics violations.

### ***How Do I Make a Report?***

- If you think the Ethics Policy is being violated, or if you have an ethics question, you have several options:

1. Discuss the issue with your supervisor.
2. Discuss the issue with another supervisor or manager.
3. Contact a Human Resources staff member.

***What Happens After I Make A Report?***

- We investigate each report and take action as necessary. Violators are subject to disciplinary action.

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## Our Values

EIG's values have strengthened our organization, shaped our culture and guided behavior on the job since 1975. We expect the company's values to be followed at all times across EIG.

### ***Integrity***

We act with honesty, fairness, respect and safety, furthering a culture of unquestioned integrity. This strengthens relationships across businesses and functions.

### ***Customer Satisfaction***

Our future depends on us serving as customer advocates and increasing our customers' success. We are proactive, hard-driving and easy to work with. We offer expert knowledge and practical solutions. We deliver on our promises.

### ***Employee Engagement***

As we grow, so will our people. We foster a culture that promotes excellent performance, teamwork, inclusion, leadership and growth. Our employee and leader diversity will mirror our global markets and population.

### ***Innovation***

We believe there is always a better way. We encourage change and seek the opportunities it brings. We will commercialize innovations globally at an accelerating pace.

### ***Sustainability***

Through our products, services, operations and community involvement, we promote the efficient use of resources to benefit all people and our planet. The environment and sustainability are key elements of our business proposition.

# Employees and Other Team Members: Our Guiding Principles

***Guiding Principle: Our Ethics Policy applies equally to all.***



## Applying the Principle

The Ethics Policy applies to everyone at EIG - including the management, company officers, employees, agents and contract workers. Here's how you can help.

- Any violation of the Ethics Policy must be reported to EIG.
- EIG will not tolerate threats or retaliation against anyone who makes a good-faith report of a possible Ethics Policy violation.



## Ensuring Compliance and Accountability

- Employees are expected to follow the Ethics Policy and assist their fellow employees and EIG partners in understanding and complying with the Ethics Policy.
- Supervisors will help make their employees aware of the Ethics Policy's importance and requirements, and help implement programs and procedures to promote integrity.
- Supervisors are responsible for helping their team members comply with the Ethics Policy's requirements and its spirit.

### **EXAMPLE**

My colleagues and I follow company guidelines on travel expenses, but our supervisor does not appear to require the same of one of our co-workers. We don't feel that we can change this situation because it is our supervisor.

### **WHAT YOU SHOULD DO**

First, you should consider raising this issue with your supervisor. If you're uncomfortable asking your supervisor about travel expenses, then bring the issue to the attention of higher-level management or Human Resources.

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***Guiding Principle: We safeguard the health and safety of our global team members.***

**□** Applying the Principle

It is essential that our employees work in healthy and safe environments. Here's how you can help:

- Always follow safety procedures and guidelines.
  - Understand and follow the safety policies and procedures related to your work.
  - Regularly look for ways to improve workplace safety.
  - Do your best to avoid accidents and to help others avoid them.
  - Report all accidents, near misses and safety issues.
- Help create a physically and emotionally safe work place.
- Do not commit or permit violence.
  - We do not tolerate violent behavior, threats to people or property, or physical intimidation or coercion.
- Never be under the influence of drugs or alcohol at work.
  - At work, you must remain free from the influence of illegal drugs, alcohol or any substances that may impair your ability to work safely and effectively.
  - You must cooperate with any legal company searches of you or your workplace for alcohol or illicit drugs.
  - Report team members who work under the influence of alcohol or other substances that may impair their ability to work safely and effectively.

**EXAMPLE**

I work in a plant where protective equipment is required. My colleague never wears it. What should I do? Should I ignore it because it is his responsibility, not mine?

**WHAT YOU SHOULD DO**

Never ignore a safety issue. Employees are responsible for keeping a safe work environment. If you're uncomfortable reminding your colleague that the safety rules protect everyone, talk with your supervisor or Human Resources.

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***Guiding Principle: We are inclusive, value diversity, and support team members in realizing their potential.***

**□** Applying the Principle

EIG provides equal opportunity in hiring, salary, benefits, advancement, discipline, and termination. Here's how you can help:

- Respect equal opportunity.
  - Focus on the value that people add. We do not discriminate on the basis of race, gender, sexual orientation, age, pregnancy, disability, union membership, ethnicity, religious beliefs or any other factors protected by law.
- Oppose harassment.
  - Do not tolerate physical or mental harassment or any other harmful behavior.
  - Harassment includes language or conduct that others may find derogatory, intimidating or offensive.
  - Immediately report all incidents of harassment to your supervisor or Human Resources.

**□** Where Can I Find More Information?

If you have questions or concerns about harassment or discrimination, talk with your supervisor, Human Resources or consult our Employee Handbook.

**EXAMPLE**

I've overheard a new hire's associates make fun of his accent, and I can tell it makes him uncomfortable. What should I do?

**WHAT YOU SHOULD DO**

Do not join or encourage the behavior. Words and actions need to express respect for each person's dignity. If you don't feel comfortable asking the associates to change their behavior, mention your concern to your supervisor or to your local representative.

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**Guiding Principle: We protect the privacy of team members.****□** Applying the Principle

We use employee data only to support EIG's operations and to provide employee benefits. We have safeguards to protect personal data; we limit data access to employees who need it for business purposes; and we follow local data protection and privacy laws. Here's how you can help:

- Follow data protection policies.
  - You're required to follow EIG's policies to protect data and privacy. If you don't understand a policy or procedure, you're responsible for getting an explanation.
- Be careful not to breach privacy.
  - Make sure you don't disclose personal data by accessing or sending it.
  - Gather only information you need for your work.
  - Unless you have authorization, you may not access any system or database containing private information, such as employee or personnel records, customer forms, e-mail, or your co-workers' personal messages.

**EXAMPLE**

I believe that one of my colleagues is selling EIG email addresses to a marketing company. What should I do?

**WHAT YOU SHOULD DO**

Employees' email addresses are confidential and may not be disclosed in this way. Provide all the information you have on this issue to your supervisor or Human Resources.

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***Guiding Principle: We respect freedom of association and obey all laws on working hours and compensation.***

**□** Applying the Principle

Every employee has the right of association, working hours consistent with local laws, and fair compensation at the workplace. Here's how you can help:

- We respect the right to organize and bargain collectively.
  - We give workers' representatives the access necessary to carry out their required functions.
  - We do not discriminate against workers' representatives.
- Our team members work within the limits established by law.
  - When circumstances require you to work beyond normal hours, we provide benefits or overtime compensation as required by law.
  - You will receive at least the legally required minimum wage or the prevailing industry wage, whichever is higher.
- EIG will give you full details annually regarding your paycheck and details on payroll deductions for taxes and benefits.
- EIG compensation and benefits are designed to enable our employees to meet their basic needs, and provide them the opportunity to improve their skills and capabilities.

**EXAMPLE**

My supervisor occasionally asks me to work longer than the official working hours. He tells me that I need better time management skills, so to make up for it I have to work longer without recording my extra hours. What should I do?

**WHAT YOU SHOULD DO**

Employees must receive compensation for work as local laws require. Bring this issue to the attention of higher-level management or Human Resources.

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# The Company: Our Guiding Principles

***Guiding Principle: We protect EIG's confidential information and respect information of our competitors.***

## □ Applying the Principle

Sharing the company's confidential information is not allowed. Here's how you can help:

- Protect confidential information about EIG products, activities, performance and plans.
  - Disclose confidential information only on a “need-to-know” basis, even with other EIG employees.
  - Never disclose confidential information outside of EIG unless you already have a non-disclosure agreement or a confidentiality agreement approved by EIG Management.
  - Secure confidential information where others cannot see it when you are not reviewing it.
  - Report all suspected breaches of confidentiality.
- Protect third-party, non-public information.
  - Do not seek or receive competitors' trade secrets or confidential information unless the disclosure is covered by a non-disclosure or confidentiality agreement.
  - We compete fairly and honestly. Do not use illegal or unethical means to learn a competitor's confidential information.
  - If you have non-public, confidential information from previous employment with a competitor, then you must continue to keep that information confidential, even from EIG.
- Protect EIG's confidential information.
  - Safeguard all intellectual property, including copyrights, patents, licenses, trademarks and other trade secrets.
  - Protect all EIG confidential information even after you stop working with EIG.

☐ WHAT MAKES INFORMATION "CONFIDENTIAL?"

Confidential information includes all non-public information that competitors might use, or that could harm EIG's competitive advantages or its customers if disclosed. This includes information that other companies disclose to EIG in confidence.

☐ APPEARANCES MATTER!

Avoid even the appearance of a conflict of interest. Although EIG encourages you to build strong relationships with customers and suppliers, avoid any situation that looks like it could affect your judgment. Examples include having an ownership interest in, or being a director of, a firm that sells to, purchases from, or competes with EIG. Report any such situations to a supervisor.

***Guiding Principle: We act in EIG's best interests and spend its money solely for EIG's business purposes.***

☐ Applying the Principle

You may not give or receive anything of monetary value to influence business judgment unduly, or use EIG's information, property or authority for personal gain. Here's how you can help:

- Think only of EIG's best long-term interests in making business decisions.
- Do not seek or receive personal economic gain, beyond your normal company pay, for being an EIG officer, employee, agent or contract worker.
- Disclose to your supervisor any situation in which your family, friends or business associates might profit based on their relationship with you.
- Report financial interests you and your family have in entities that do business with EIG.
- Do not pursue any business opportunity you discover through your association with EIG for personal gain or the gain of any entity other than EIG.
- Do not work for a customer, supplier or competitor of EIG while EIG employs you.

- Do not engage in insider trading. If you have valuable information about a company that has not been made public, you may not buy or sell that company's stock.
- Think about how it will appear if you accept gifts or entertainment from suppliers, customers, agents or others wanting to do business with EIG. Whenever possible, seek guidance before giving or receiving things of value. If you personally accept something of more than minimal value, you must keep a record of it and report it promptly to your supervisor.

CAN I ACCEPT GIFTS OF ENTERTAINMENT FROM BUSINESS PARTNERS OR VENDORS?

You may accept customary business gifts or entertainment of minimal value. You may not directly or indirectly ask for, offer, promise or accept gifts or entertainment as a condition or result of doing business with EIG. The test: Could a reasonable person think the gift or entertainment might influence your business judgment? If so, you must refuse it.

WHAT IS "INSIDER TRADING"?

Buying or selling stock, or telling others to buy or sell stock, on the basis of material information that the public lacks is called "insider trading" and is illegal. "Material information" is anything a prudent investor would want to know before investing in a company, such as information about financial results, new products, and acquisition plans or strategies that have not yet been made public. We must avoid buying or selling any stock of any company when we have inside "material information" about that company.

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***Guiding Principle: We are committed to providing safe, quality products and services. We address, and do not hide, risks and mistakes.***

Applying the principle

The Ethics Policy includes our commitment to providing safe and quality products, services and solutions. Here's how you can help:

- You should immediately contact quality management personnel or your supervisor if you believe there is:
  - Any deficiency in product design, safety, installation, or maintenance that threatens anyone's health or safety.
  - Anything that may harm the quality of our products or services.
  - Anything that may harm EIG's reputation.
  - Anything that may harm EIG's financial Interests.

**EXAMPLE**

I believe our product's new design has a chance of making it unsafe. I reported this to my boss, who agrees but doesn't want to say anything because we've already manufactured this product, and the risk of causing harm seems small.

**WHAT YOU SHOULD DO**

Do not hide anything that you believe poses a reasonable risk to our quality, services, reputation or interests. Bring this issue to the attention of higher level management or Human Resources.

***Guiding Principle: We use EIG's assets, such as email, Internet access, telephones, and computers, responsibly and honorably.***

Applying the Principle

EIG computing resources should be used for company purposes. Here's how you can help:

- Use electronic media properly.
  - Information on company computer systems, including email and other Internet-related systems, is the property of EIG, to be used for company business.
  - Do not use company resources to offend, harass or threaten others or

- to access or store illegal or generally offensive material.
- While you're at work or using a company computer or mobile device, do not visit Internet sites with offensive content related to sex, race, religion or other protected categories.
  - Do not use company resources to reproduce, display, distribute, or store materials that violate any party's trademark, copyright, licensing or other intellectual property rights.
  - Use assets such as company vehicles properly and legally for company purposes.

### **EXAMPLE**

May I use my EIG email account for personal messages?

### **WHAT YOU SHOULD KNOW**

- EIG computers and email accounts, and the information they contain, are EIG's property and should be used for work purposes.
- Because EIG owns these assets, management may inspect and disclose the contents of your computers and work email accounts, subject to local laws.
- Management may do this for business purposes or to detect potential criminal conduct and protect EIG's rights and property.

***Guiding Principle: We do not tolerate, and we actively oppose, corruption in our businesses.***

#### Applying the Principle

We win business with the integrity of our products, services and personal character. We do not seek business by trying to corrupt the judgment of our customers. We do not tolerate any bribery of private or of public persons. We neither provide nor receive lavish or extravagant gifts. Here's how you can help:

- Do not offer, pay, give or promise any favor, service, entertainment, meal, gift or other thing of any value to any private or governmental customer to get business, or to any government or political official or their family members to get preferential treatment for EIG.

- Before you make a gift or offer, ensure that the value of the gift would not reasonably be seen as an attempt to influence an official decision.
- Do not offer employment, benefits or other profitable opportunities to government officials or to private citizens who have authority over EIG.
- Obey all local anti-corruption and bribery laws.
- Accurately record in EIG books all of your transactions including your expenses and any gifts or entertainment you provide.
- Do not associate with business partners who engage in corrupt practices. Regularly screen business partners and stop working with them if you reasonably suspect corruption.
- Do not provide gifts, entertainment or other favors to a union representative without consulting Human Resources.

***Guiding Principle: We ensure our books and records are accurate, complete, and maintained according to the law and industry best practices.***

Applying the Principle

Keep trustworthy books, accounts and records. Here's how you can help:

- Company books and records must be complete, accurate and reliable, following Generally Accepted Accounting Principles.
  - Be precise and complete when you record transactions.
  - Don't make false or misleading entries, or omit or conceal required information such as the payment amount or its actual purpose.
  - Follow laws, regulations, industry standards and company policies when you produce, store or destroy records or documents.
  - Don't keep hidden or unrecorded funds, accounts or assets.
- Anyone who falsifies, hides or manipulates records faces disciplinary action, termination and personal liability.
- If you find errors, or can't reconcile an account, notify management so the account can be corrected.

- Follow the law and EIG’s policies on document and record retention.
  - When destroying records or documents, follow procedures required by local law and EIG’s document retention policies.

## Customers, Competitors, and Suppliers: Our Guiding Principles

***Guiding Principle: We believe in vigorous competition and do not use illegal or unethical means to gain an advantage over a competitor.***

### Applying the Principle

Using illegal or unethical means to obtain competitive advantage is prohibited. Here's how you can help:

- Follow all antitrust and competition laws in countries where EIG operates.
- Do not join EIG competitors or business partners in agreements or understandings that limit competition. For example, do not agree to fix prices; rig bids; divide up products, territories, customers or markets; or limit production or sale of products.
- Do not make false, baseless, or misleading remarks about EIG, its competitors or their products.

## The Public and Our Communities: Our Guiding Principles

***Guiding Principle: We comply with international trade laws.***

### Applying the Principle

We follow the trade laws of all countries where EIG conducts business, including laws concerning:

- Importing or exporting specific goods, services or technology.
- Prohibiting transactions with specific countries, entities or people.
- Participating in international boycotts.

- Government approval, licenses or other requirements necessary to complete a transaction or sale.
- Product labeling.

Here's how you can help:

- Keep accurate records of all international transactions.
- Follow all EIG policies and processes when selling and shipping products to other countries or when importing anything.
- Make efforts to ensure customers, business partners, vendors, service providers, agents, consultants and distributors follow all EIG policies and procedures.
- Engage companies and business partners who agree to obey international trade laws.

***Guiding Principle: We believe that what's good for the environment is good for EIG.***

 Applying the Principle

EIG's products, services and manufacturing methods reflect our long tradition of caring for the environment. Here's how you can help:

- Follow environmental law and regulations, as well as EIG's policies for protecting the environment.
- Follow environmentally responsible practices such as waste management, source reduction, recycling and energy conservation.
- Work to minimize toxic and greenhouse gas emissions.
- Use and produce environmentally friendly products, and address community concerns about the environment.

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***Guiding Principle: We strictly limit the use of company resources to support political campaigns or causes.***

Applying the Principle

Generally, EIG does not get involved in political campaigns or political issues. Decisions on whether the company will support a political candidate or issue must be made at a high level within EIG. Here's how you can help:

- Never offer contributions, payments, or anything of value from EIG to government officials or political candidates with the intent to influence them or gain an improper advantage for the company.

**EXAMPLE**

My good friend is running for public office. He has asked me to distribute campaign material to my co-workers.

**WHAT YOU SHOULD DO**

EIG does not restrict your personal political activities away from the company using personal funds. But you cannot campaign during your work hours or use company resources (such as materials, services, machines or work time) to support such activity.

***Guiding Principle: We communicate accurately with the public.***

Applying the Principle

We ensure our communications are truthful and accurate. We do not release misleading information. Here's how you can help:

- Take care when discussing EIG outside the company - in public places, with friends and family, with the media and on the Internet, in public forums, blogs and social networking sites.
- Never disclose private company information without prior and proper authorization.
- Neither say nor imply that you represent the company unless you're authorized to do so.

## In Conclusion

To make an ethical decision, ask yourself these questions:

1. ***Is it the proper action?***
2. ***Is it legal?***
3. ***Does it follow EIG's policies and procedures?***
4. ***Will I feel proud of my decisions and actions?***
5. ***Will my family and friends feel proud of my decisions and actions?***
6. ***Will my colleagues, managers and company leadership be pleased with my decision?***