

Ethical Code of Conduct



Your ambition. Our passion.



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Introduction

Objective

Kitron's Ethical Code of Conduct presents Kitron's obligation and commitment to ethical business practices and describes the standards and requirements which Kitron employees must adhere to in their work

The Ethical Code of Conduct provides a framework to ensure that Kitron complies with relevant local and international legislation, acts in accordance with internal policies and the company's values and supports the UN's initiatives on human rights, children rights and labour conventions.

The Ethical Code of Conduct is complemented by the Kitron Anti-Corruption Policy, which details and explains Kitron's requirements for proper business conduct in relation to anti-corruption.

Scope

This Code applies to all Kitron board members, elected officers, permanent and temporary employees, hired staff, consultants and agents acting in or on behalf of Kitron. The Code also applies to all contractors, sub-contractors, suppliers and sub-suppliers. It includes all companies in the Kitron group.

Kitron also has a separate Supplier Code of Conduct, which applies to all suppliers.

The Ethical Code of Conduct is distributed to all employees, and is a part of the employment contract for all permanent and temporary employee agreements, as well as to board members and elected officers. The Kitron Ethical Code of Conduct is also to be attached to supplier contracts.

Ethical Commitment

Ethical Statement

Kitron shall comply with applicable laws and regulations respect human rights and act in a socially responsible manner. Kitron's business activities and internal operations are conducted with a high level of integrity and with a clear ambition to be a social responsible company acting ethically and lawfully in all aspects of our value chain.

Values

The behaviour of all Kitron staff shall be characterised by our five values:

Reliability: We can be trusted, a reliable and trustworthy business partner and a socially responsible company.

Creativity: We strive to find solutions and we are proactive, a business partner that strives to find solutions benefiting both Kitron and its business partners.

Positive: A positive place to work, a competence driven company that provides opportunities for growth and development in line with the development of our business.

Involvement: Everyone can be part of and contribute to the work towards success, to be part of the team, involved in changes, projects and success.

International: A Scandinavian company with a global foot print.



Internal relations

Human rights

All units in Kitron will comply with UN's Universal Declaration on Human Rights, The UN's Convention on Rights of the Child and International Labour Organisation Conventions (ILO conventions).

Kitron shall comply with the human rights in the ILO conventions, specifically the labour rights and children labour avoidance conventions.

Kitron shall not engage in or support any kind of use of child labour. If a young worker is employed, this needs to be controlled and arranged according to legal requirements in terms of safety, work hours and guidance and is not allowed to interfere with applicable compulsory schooling.

Kitron opposes discrimination in any form, e.g. due to race, nationality, gender, sexual orientation or religion. Kitron also opposes any form of trafficking and purchase of sexual services.

Working environment

The working environment in Kitron is characterized by openness, communication, and respect for the individual. Diversity, and a balanced work force in terms of gender, is recognized as strength and an advantage. Fair employment practises following local norms, laws or collective bargaining agreements is the basic standard in all Kitron entities. No form of discrimination, harassment or bullying is tolerated.

Kitron values the competences employees are in possession of, and sharing of knowledge and information is an area of priority, as is on-the-job development. Kitron offers a working environment where it is possible to combine work, career, family life and spare time.

Health and safety in the working environment is very important to Kitron and is to be ensured to provide a safe, healthy and satisfactory work place. Kitron follows local and international norms and relevant legislation to provide such an environment.

Conflict of interest

All employees are expected to be loyal to Kitron and Kitron's interests. Employees should not participate in financial and business related activities that could potentially create a conflict of interest between Kitron's interests and their own personal interests or those of a close third party. A close third party includes all personal relations and is not limited to family members.

Therefore, employees who can influence or take decisions on behalf of Kitron must not participate in the consideration or determination of any issue where they or their related third parties have personal or financial interests.

When a manager is disqualified in this sense on a given matter, all subordinates are also disqualified in the same matter. All staff members shall notify their superior if they have any material direct or indirect interest in any transaction contemplated or entered into by the company.

Kitron managers cannot hold shares in Kitron customers or Kitron suppliers unless they are listed on the stock exchange. Kitron non-managers may hold shares in listed companies having a business relation with



Kitron, but must report any holding to their immediate superior. This duty to inform does not extend to the purchase or ownership of units in mutual trusts.

Related people cannot be employed or elected into positions that are incompatible, for example where one becomes the direct superior to the other or where one will control the work of the other.

All Kitron employees must assess for themselves whether any conflicts of interest exist. If their case is not clear, or if somebody so requires, they must submit the question to their immediate superior.

Particular caution must be exercised towards suppliers, customers and competitors who have hired people previously employed by Kitron within the previous two years.

Duty of confidentiality and secrecy

Kitron employees have a duty of confidentiality in respect to all business matters and situations that could give unauthorised people access to confidential information. Basically, all information not made public is to be considered confidential. Examples of confidential information, but not conclusive, are stated below:

- Manufacturing and product information not publicly stated
- Prices, conditions and all other contents in agreements with customers and suppliers
- Calculations and estimates
- Information that is not generally known which could have a noticeable effect on the value of the Kitron share,
- Personal information about others acquired in connection with an assignment for Kitron.

This duty of confidentiality remains in force after a Kitron staff member has left the company. No individual can exploit any Kitron-specific information listed above in his or her own business or in the service of or working for others.

Only designated persons may make public statements on behalf of Kitron.

Insider trading

Inside information is specific information which is not publicly known and which is likely to have a noticeable effect on the price of financial instruments

Misuse of inside information, irrespectively of how it is obtained, is prohibited under the Norwegian Securities Trading Act ("STA"). People who have inside information about Kitron or companies with which Kitron has commercial relations must refrain from trading or giving advice about shares in Kitron or in these companies.

Reference is otherwise made to the provisions concerning insider trading in STA, and rules on notification in the Norwegian Public Limited Companies Act section 4-12. Primary insiders are subject to the insider regulations adopted by Kitron in Kitron's Insider manual.

Financial reporting, accounting and information

All financial information about Kitron and Kitron's assets and liabilities must be communicated and reported, internally and externally, in a precise and accurate manner.



All accounting information must be correct, registered and reproduced in compliance with applicable standards, laws, and regulations. As a company listed on the Norwegian Stock Exchange, Kitron is obliged to provide a full, fair, accurate and understandable disclosure of periodic financial reports, other documents filed with applicable regulatory authorities and agencies as well as other public communications.

No false, misleading or artificial entries may be made on Kitron's books and records.

All Kitron employees must take appropriate steps to ensure that Kitron makes and maintains books and records reflecting accurately and in reasonable detail any transaction involving Kitron, or Kitron assets.

No information may be concealed from internal or external financial auditors. For customer audits Kitron respect contractual obligations.

Business conduct

Fair trading and antitrust legislation

Kitron will compete in a respectable and ethically responsible manner within the framework of anti-trust legislation and relevant competition regulation in the markets in which Kitron operates.

Customers

All customers are to be treated with respect and integrity. Kitron will adhere to customers' specific bidding requirements when in such a process.

Suppliers

Suppliers are to be treated just and fair in all interactions with Kitron.

Kitron has developed a separate Supplier Code of Conduct that applies to suppliers to Kitron. Kitron has a risk-based approach when evaluating and auditing suppliers, focusing attention on where the risk of not meeting Kitron requirements are the highest.

Corruption

Kitron opposes any form of corruption and strives to prevent corruption in and as a result of Kitron's business activities.

It is forbidden for Kitron employees to promise, receive or give any offer that would give an improper advantage for any of the parties in connection with an engagement of any kind with any counterparty. This relates to both public officials and private commercial counterparties.

Bribery

Promising, offering, giving, or authorizing the offering or giving, of money or anything of value to a public official or to a public sector employee – either directly or through an intermediary – to secure an improper advantage, qualifies as bribery.



“Anything of value” in this case clearly prohibits more than monetary payments, and includes services, goods and all other non-cash advantages, for example paying for services for family member or providing certain goods.

Direct and indirect payments are equally prohibited. Thus, payments to public officials made through intermediaries, such as consultants and agents, are prohibited, as well as payment to close relatives.

Facilitation payments

A facilitating payment is a small payment to secure or expedite a routine government action to which one is legally entitled, such as issuing a license to do business, processing a visa, providing police protection, securing mail service or similar. Kitron prohibits facilitation payments.

Kitron’s prohibition of facilitating payments does not apply to situations in which Kitron personnel must make a payment to avoid a serious medical or safety emergency. In such a situation, approval must be sought from the person’s manager or the Ethical Committee.

Gifts and hospitality

Nobody must accept, either for themselves or on behalf of others, gifts, fees, services or other benefits that could influence the way they perform their duties, or that are intended to exert such influence by the giver. The foregoing does not preclude promotional give-aways of insignificant value or general schemes open to all Kitron staff.

Invitations to entertainment or other events from existing or potential business contacts must be regarded as a gift (particularly if the event is not for the benefit of the company). Caution should therefore be shown in accepting invitations that exceed normal business hospitality. During negotiations, staff should generally refrain from accepting any offers of hospitality.

All gifts, hospitality and other benefits, including cost and time spent, must be modest.

Travel and invitations

Kitron shall pay all business-related travel and hotel expenses for Kitron staff. Existing or potential business contacts of the company are prohibited from paying for travel, accommodation and so forth. Nor are employees permitted to accept such benefits for accompanying persons from Kitron’s existing or potential business contacts.

Correspondingly, Kitron shall not pay for business travel of any business contact unless Kitron is contractually obliged to do so.

Sponsorship and Charity

Sponsorships and charities are normally allowed in Kitron as long as they comply with applicable laws and regulations and are of limited financial value. Basic rules for approving a sponsorship or charity activity are that it aligns with our values, contributes to enhance development for youth and children, is non-political and non-religious driven and is transparent and able to stand the test of a public disclosure. Any activity is subject to prior approval from the applicable site manager and shall be reported to the Ethical Committee of Kitron Group.



Practice and follow-up

Responsibility of the employee

Each employee in Kitron must ensure that he or she is knowledgeable of and perform their duties in accordance with the requirements in the Kitron Ethical Code of Conduct and applicable laws and regulations.

Responsibility of the management

Management must ensure that activities within its area of responsibility are carried out in accordance with Kitron Ethical Code of Conduct. Management is also responsible for communicating the Ethical Code of Conduct and for providing guidance for the interpretation and application of the Code.

Training

All Kitron personnel are required to attend periodic training in the Kitron Ethical Code of Conduct to ensure that Kitron's ethical values are understood and implemented at all levels.

Reporting irregularities – “Whistle blowing”

All conditions which give raise to ethical issues or matters that could involve a breach of prevailing regulations and provisions or circumstances which may cause loss of value or reputation for Kitron should be raised with the staff member's immediate superior. Kitron staff who believe they have been offered bribes or been subject to inappropriate pressure or attempts to exert such pressure or who wish to report or advise on any legal and ethical non-compliance incidents, dilemmas or concerns should immediately do so to their immediate superior.

Environmental matters or issues relating to work place safety can be reported to the relevant representative, HSE-manager and/or the company health service. Financial matters may be reported to the finance manager. It is the duty of all staff to report any criminal acts and circumstances where life or health might be in danger.

Reporting may be anonymous, but open reporting will normally facilitate expedient resolution of the matter. The name of a reporting person shall remain confidential to all but the recipient. If the employee does not obtain any appropriate response or reaction, or does not feel comfortable reporting the matter to the immediate superior, the employee is encouraged to inform the site manager, or the Kitron Group Ethical Committee. The Chairman of the Ethical Committee is the first point of contact.

Compliance and consequences of violation

Breaches of the Ethical Code of Conduct are not acceptable. Any routine, practice or behaviour that is not in accordance with this manual shall be ceased immediately.

Conscious or repeated violations by employees of the principles of this policy will lead to, following local legal requirements, that the employment condition will be questioned. It might, after a proper investigation and follow up, lead to a termination of employment.

Any violation of the principles of this policy from our counterparties such as customers, suppliers, contractors, sub-suppliers, sub-contractors and other stakeholders will by definition lead to an investigation of the situation, and the business relation with Kitron will be questioned and possibly terminated.



Ethical Committee

Kitron has an Ethical Committee whose objective is to ensure that Kitron maintains a high-level focus on issues related to ethics and anti-corruption and a common understanding and practice regarding how best to address and follow up on these issues. Firstly, it is in charge of the policy document in itself and reviews or updates of the Ethical Code of Conduct. Secondly, the committee is an advisory board related to ethical dilemmas or questions from managers and employees in the group on difficult borderline issues. When in doubt, Kitron employees should consult immediate superior or the Kitron group Ethical Committee. It is also in the main scope of the committee to perform regular ethical audits mainly related to anti-corruption.

The Ethical Committee meets as needed but at least three times a year. Members of the Ethical Committee include: COO, CFO, HR Director, Sales and marketing director

The head of the Ethical committee reports to CMT (the Kitron Corporate Management team) who in turn reports to the board of Kitron ASA.

The Ethical Code of Conduct is subject to review at least every other year.

Peter Nilsson
CEO

Tuomo Lähdesmäki
Chairman of the Board



Your ambition. Our passion.

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