

SUPPLIER CODE OF CONDUCT

Falco Ltd and its subsidiaries and affiliated companies (“FALCO”) is committed to a high standard of ethical conduct, integrity, and sustainability. We expect all our suppliers (“FALCO suppliers” or “Suppliers”) to adhere to a similar standard and to treat workers with dignity and respect, provide safe working conditions, engage in environmentally responsible practices, and act fairly and ethically.

As a supplier to FALCO, you must comply with all applicable laws and regulations in your countries of operation, the principles set out in this Supplier Code of Conduct, and your contractual obligations to us. When differences arise between the standards set forth herein and legal requirements, the stricter standard shall apply, within the boundaries of applicable law.

This Supplier Code of Conduct sets forth FALCO’s standards and expectations with respect to key areas of corporate responsibility. Our goal is to work with our suppliers to assure compliance with these requirements.

MAIN PRINCIPLES

1. Labor practices

FALCO believes all workers in our supply chain deserve a fair and ethical workplace. FALCO suppliers should adhere to the standards set forth in the ‘United Nations Universal Declaration of Human Rights’ and the International Labor Organization’s ‘International Labor Standards.’

1.1 Compliance with legislation

Suppliers shall adhere to the labor laws and the collective labor agreements in the countries in which they operate.

1.2 Freedom of association and the right to collective bargaining

FALCO suppliers shall recognize the right of their employees to associate freely and bargain collectively.

1.3 Non-discrimination

FALCO suppliers should recognize and appreciate the existence of different values and cultures. Suppliers should commit to provide equal opportunity in employment and shall not discriminate on the basis of age, race, nationality, social or ethnic descent, gender, physical disability, sexual preference, religion, political reference, union membership, or any other status protected by applicable national or local law.

1.4 Working hours

Suppliers shall comply with applicable laws regarding working and overtime hours. Except for extraordinary circumstances, Suppliers should provide employees with at least one day off following six consecutive work days. Total working hours must be within the allowable limit under applicable law or agreement, but shall not exceed 60 hours per workweek.

1.5 Wages and benefits

Suppliers shall comply with legal minimum wage laws and regulations and overtime hours must be paid at the legally mandated premium. If there is no legal minimum wage, FALCO suppliers must ensure that wages are at least comparable to prevailing industry norms. Suppliers shall communicate pay structure and pay periods to all workers. Suppliers shall meet all legal requirements relating to wages and benefits and pay accurate wages in a timely manner.

1.6 Child labor and forced labor

FALCO is committed to the elimination of the 'worst forms of child labor,' as defined by International Labor Organization (ILO) Convention 138 & 182, from its supply chain. Thus, Suppliers shall employ only workers who are at least 15 years of age. Suppliers may employ juveniles who are older than 15 years of age but are younger than 18 years of age, provided they do not perform work that might jeopardize their health, safety, or morals, consistent with ILO Minimum Age Convention No. 138. Suppliers shall not require juvenile workers to work overtime or perform nighttime work.

FALCO suppliers must not utilize or benefit in any way from forced or compulsory labor, nor utilize factories or subcontractors that force unpaid labor. Forced labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

2. Health and safety

FALCO seeks to work with suppliers that provide a safe, hygienic, and healthy workplace for all of their employees. FALCO suppliers should be committed to operate in a safe way and continuously work towards a goal of zero incidents. Supplier shall provide policies, systems, and trainings to promote health and safety and prevent injury. Furthermore, Suppliers shall obtain, keep current, and comply with all required health and safety permits.

3. Environmental stewardship

At a minimum, FALCO suppliers shall comply with all applicable environmental laws and regulations in the jurisdictions in which they operate. FALCO suppliers should be committed to develop cleaner processes and aim to minimize their impact on the environment by implementing appropriate conservation measures in their operations. Plans for waste reduction, recycling, energy conservation and greenhouse gas mitigation policies should be in place.

4. Fair business practices and ethics

FALCO suppliers shall uphold the highest standards of fair business practices and ethics.

4.1 Business integrity

FALCO suppliers shall not engage in any form of corruption, extortion, embezzlement, bribery, falsification of documents, price manipulation, or the like. They shall comply with all applicable anti-corruption laws and regulations and all applicable international anti-corruption conventions.

FALCO suppliers are obliged to foster fair and impartial competition and shall not engage in unfair trade practices in violation of antitrust laws.

FALCO suppliers shall avoid conflicts of interest in relationships with FALCO employees and shall maintain an unquestionable standard of integrity, which prohibits excessive gifts, meals, entertainment, travel, accommodation or other gratuities to be offered to FALCO employees.

4.2 Protection of intellectual property

FALCO suppliers shall respect and reasonably protect FALCO's intellectual property rights. Suppliers shall not use the FALCO logo or publish FALCO as a reference customer in their online or printed communication tools without prior written consent from FALCO.

4.3 Confidentiality of information and disclosure of information

Suppliers shall take appropriate steps to protect confidential and proprietary information belonging to FALCO. Information regarding Suppliers' business activities, structure, financial situation and performance should be disclosed to FALCO in accordance with applicable laws and regulations.

4.4 Responsible sourcing of minerals

FALCO is committed to use raw materials of legal and sustainable origin. FALCO strives to avoid sourcing 'conflict minerals' as they enable human rights abuses and contribute to the financing of armed conflicts. Suppliers shall exercise due diligence on relevant minerals in their supply chains.

4.5 Secure business

FALCO suppliers shall conduct business in a secure manner. In particular, Suppliers should implement reasonable measures for minimizing the exposure of FALCO to security threats such as terrorism, crime, pandemics and natural disasters.

5. Documentation and monitoring

In order to ensure and demonstrate compliance with this Supplier Code of Conduct, FALCO suppliers shall keep records of all relevant documentation, and provide such documentation upon request. FALCO will assess our Suppliers' compliance with the requirements of this Code



using self-assessments, site visits, and remediation plans. FALCO will work with its suppliers in addressing gaps identified.

6. Corrective actions

Any violations of this Supplier Code of Conduct may jeopardize the Supplier's business relationship with FALCO. FALCO reserves the right to disengage from suppliers that do not meet the requirements of this Supplier Code of Conduct or who cannot provide or commit to an improvement plan.

Revised: April 17, 2017

SUPPLIER CODE OF CONDUCT COMPLIANCE FORM

DECLARATION OF COMPLIANCE

- I hereby declare that I have read and that I understand the principles set forth in the Falco Electronics Supplier Code of Conduct and will fully comply with these principles. I accept responsibility to report violations thereof to FALCO.

Signature: _____

Name and Title: _____

Name of Supplier: _____

Date: _____

DECLARATION OF NON-COMPLIANCE

- I hereby declare an explanation for non-compliance. I hereby attach a report describing 1) the non-compliance, 2) and explanation of non-compliance, and 3) our corrective actions planned and timeline for the same.

Signature: _____

Name and Title: _____

Name of Supplier: _____

Date: _____