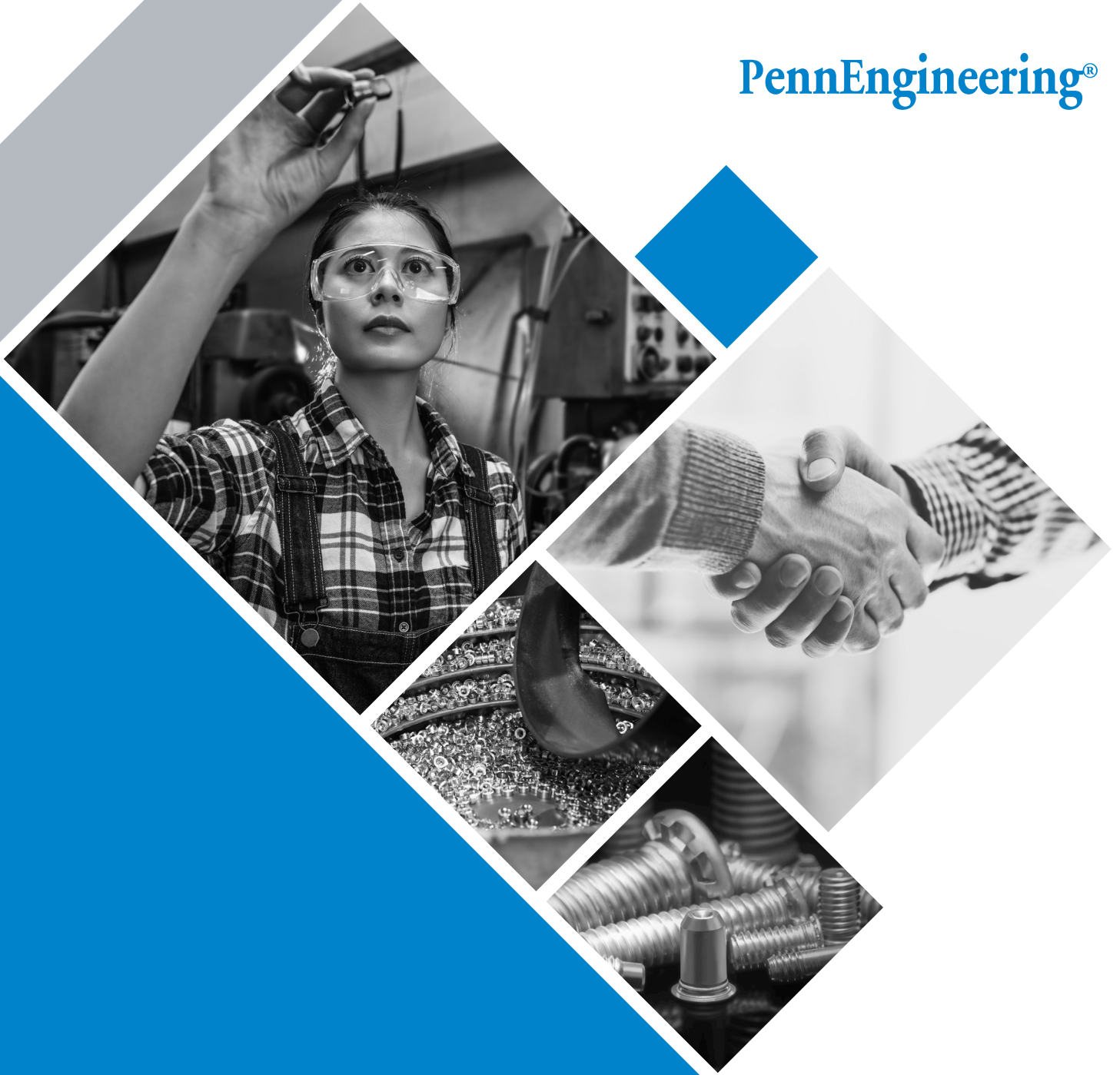


PennEngineering®



PennEngineering®
Code of Conduct

Dear Colleagues,

PennEngineering has a proud 80-year history, and we recognize that our future success will be both achievable and sustainable only if we always act in a manner consistent with our Core Values of Customer-Focus, Innovation, Respect, Collaboration, and Integrity. We expect our managers to actively foster and model the Core Values within our teams, and each one of us, regardless of position, must always comply with all laws, regulations, and company policies. We expect a similarly high standard of integrity from the vendors, suppliers, and business partners with whom we work.

How you act at work matters. The Global Code explains PennEngineering's expectations of you and will help ensure each of us do the right thing at all times, everywhere we operate. Please take time to read this Code, keep it in mind and use it, along with your local policies and procedures, to guide your decisions and actions.

If you have questions about what's right, seek guidance, whether with your manager, your local HR manager, PennEngineering's General Counsel, or our Vice President of HR and Talent. Similarly, you can submit an email to speakup@pemnet.com with any concerns you may have about potential misconduct. PennEngineering® will undertake the appropriate review or investigation, and we will not permit any reprisal against you for a report made in good faith.

Through these actions, we intend to protect our reputation and maintain the trust of all of our stakeholders including employees, customers, regulators, and shareholders.

Thank you for joining me in an unwavering commitment to our Core Values.

Pete George, CEO

PennEngineering Code of Conduct

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PennEngineering Core Values and Behaviors

Our **Core Values** are the beliefs and principles we share. These are the elements that best describe the type of company we are and strive to be. Our **Behaviors** are the expression of Our Core Values through our day-to-day actions. When there is alignment between Our Core Values and Behaviors, our company culture flourishes. At PennEngineering, Our Core Values and Behaviors ensure a common understanding of who we are and what we stand for all over the world.

Our code of conduct serves as our guide to ethical and responsible business conduct. What sets PennEngineering apart is our passion for what we do and our shared standard of excellence.

As our business evolves over time, our Core Values remain constant. We know it's not just about what we do but how we do it.

We know the way we work matters because what we do matters.

PennEngineering Values Framework					
Value	Customer-Focus	Innovative	Respect	Collaboration	Integrity
Definition	<i>We have a passion for creating customer value – from delivering high quality products to partnering with them to solve even the toughest technical challenges</i>	<i>We empower our people to be agile, curious, creative and to continuously challenge the status quo in the pursuit of new products and solutions</i>	<i>We are supportive, inclusive and care for one another, our customers and our communities</i>	<i>We are stronger together – in how we work and communicate with each other, our customers and partners</i>	<i>We are stewards of the business taking a long-term view when making decisions and we do the right thing even if it's not easy</i>
Behaviors	As a trusted partner that is humble in our interactions, we put the needs or problems of our customers first – we're not satisfied until they are	Be a pioneer – seek new and different ways to approach product development, processes and the way we work together	Be generous in listening, open to different viewpoints, and be flexible in your own	Reach across silos and build diverse teams	Say what you mean and do what you say – be honest and ethical in all your interactions and expect the same in return
	Set the standard of excellence in high quality products and services	Lead the way forward and stretch to achieve what may initially feel beyond reach	Have empathy and offer your support to customers, colleagues and communities	Work and learn from one another, leveraging individual expertise for collective benefit	Hold yourself accountable and have the courage to admit mistakes
	Act with urgency and speed in responding to customer challenges and requests	Take smart risks and accept that not all solutions and ideas will succeed, but all can be learned from	Foster a respectful environment where everyone belongs – regardless of background and beliefs	Build trust by communicating openly and transparently	Keep each other committed to the highest standards – work safely and sustainably

WHY DO WE HAVE A CODE?

To remind ourselves, as our work environment becomes increasingly global and competitive, we must continue to be stewards of our business and run them with integrity.

Through our work and dedication, each of us contributes to the good reputation of PennEngineering in society and in the industry. This can only happen if our stakeholders trust us and our products. We must earn and renew this trust every day.

WHO MUST FOLLOW THE CODE?

We are all accountable to take responsibility, to show integrity and to do the right thing. Our code of conduct applies equally and without exception to all of us. Only by combining our success in business with a responsible approach can we meet our objective of developing and offering products that delight our customers.

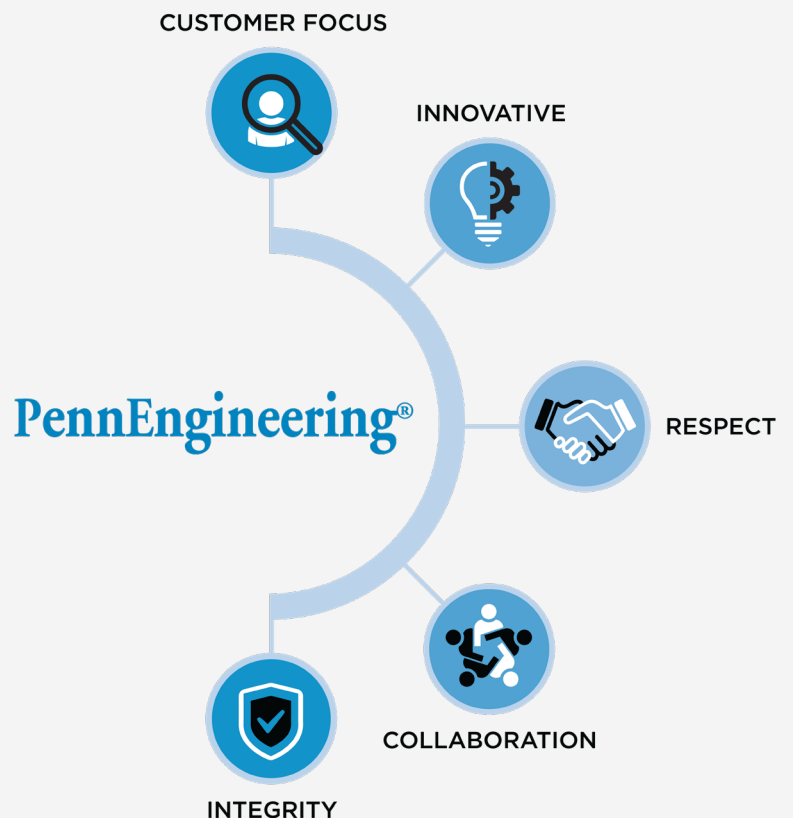
HOW SHOULD I USE THE CODE?

This document reflects Our Core Values, internal policies, voluntary commitments and principles, and national and international laws.

WHAT HAPPENS IF SOMEONE VIOLATES THE CODE?

Incorrect behavior by any individual can threaten our relationships with stakeholders. It can break trust with customers and with the public. A violation of the global code may be addressed by further education, or it can lead to corrective action up to termination. Where violating the global code is also a violation of law, doing so may also lead to fines and claims for damage.

Our core values are the glue that drive us as a company, through expansion and change, and make us who we are today.



A Safe and Respectful Workplace

SAFE AND HEALTHY WORKPLACE

Occupational health and safety is our number one priority. We take steps to prevent accidents and occupational illnesses in the workplace, and we want our employees to work in an ergonomic environment where good health and wellness is promoted.

To do this we:

- Use good judgment and act in a manner that is safe for you and others.
- Report safety concerns and work-related injuries or illnesses.
- Never joke about violence and report any violent threats or warning signs from others.
- Comply with applicable health and safety regulations.

A RESPECTFUL WORKPLACE

Dignity and mutual respect are at the heart of our interactions with each other, business partners and anyone we encounter in a business setting. We do not allow harassing behavior or discrimination based on personal characteristics like gender, age, nationality, ethnicity, skin color, political views, sexual orientation, religious beliefs, social background, or physical ability. We want a healthy and encouraging work environment that is inclusive of all individuals and where our colleagues are embraced regardless of their beliefs and cultures. Disrespectful behavior can lead to disciplinary action, up to and including termination.

To do this we:

- Treat colleagues, customers and business partners with courtesy, dignity, and respect.
- Show appreciation for diversity of people, views, and work styles.
- Never discriminate against job candidates or employees.
- Avoid speaking generally about groups, including specific racial, gender, or religious groups.
- Avoid forcing political views on colleagues, customers, and business partners.
- Forbid harassment and encourage employees to speak up if they see harassment take place.
- Acknowledge the influence of different cultures or values and behaviors.
- Take actions to prevent bias from influencing our behavior.

RETALIATION IS NOT TOLERATED

PennEngineering has a no retaliation policy. No one can take action against you for asking a question or raising a concern in good faith. If you feel that you are being retaliated against, report it immediately.

SPEAK UP

PennEngineering maintains a dedicated Reporting Hotline at +1-215-766-1000 or speakup@pemnet.com for employees, contractors and third parties to safely voice concerns relating to our business or people. All reports will be handled as confidentially as possible while still allowing PennEngineering to perform a proper investigation.

Delivering Product Quality

PRODUCT SAFETY, QUALITY AND SECURITY

PennEngineering stands for high-quality products and services. Our quality management processes and procedures help us comply with international standards and continually improve our products, services and processes. We follow the PennEngineering Quality Policy and all applicable subsidiary Quality policies and procedures to maintain and improve the effectiveness of our quality management system in full conformance with regulatory and other applicable program requirements. We strive to achieve outstanding customer satisfaction and employee safety.

To do this we:

- Follow internal quality procedures, processes, and requirements to help ensure the quality, safety and efficacy of our products and services.
- Timely notify the customer of any changes in material, manufacture location, outside suppliers and process changes on all product.
- Completely and accurately report quality testing results – never falsify, change or conceal a finding.
- Speak up if we discover any actual or potential product quality or safety issue, including reporting all adverse events or product quality complaints immediately to our **Quality Assurance** department and others required by local regulations.

DELIVERING INNOVATIVE VALUE

At PennEngineering, we are pioneers that look beyond the present to deliver future value to our customers and stakeholders.

To do this we:

- Stay aware of trends around the world and pursue business ideas in tune with customer needs and desires.
- Strive to develop and provide safe, high-quality products and services that are meaningful to customers.

Quality Policy

PennEngineering commits to timely deliver products with the highest level of quality, performance, a continuous improvement mindset, and a solution to customer application concerns. To achieve this, PennEngineering will strive every day for controls compliance and we will engage with employees to have the voice of the customer in mind with each part we make and deliver.

Lawful and Ethical Business Practice

BRIBERY AND CORRUPTION

We conduct business fairly and with a high level of integrity. We do not tolerate corruption or bribery in our company.

To do this we:

- Never offer, give, or accept bribes or payoffs, either directly or through a third party. Report in writing to your local manager and PennEngineering’s general counsel or speakup@pemnet.com if a facilitation payment is requested.
- Avoid even small gifts if they are intended to influence the recipient to provide a service in return. Don’t offer or promise anything of value to national, local, or foreign public officials, their families, or friends. This PennEngineering requirement applies even where local custom would otherwise allow such actions or payments.

CONFLICTS OF INTEREST

At work, we expect you to disclose any possible conflict between your private interests and those of PennEngineering. This includes if you work with friends or family or hold a financial interest in a company with which we do business. Clearly communicating any possible conflicts can help ensure that there is no actual or perceived influence on business decisions as a result of such collaboration.

To do this we:

- Recognize that employees owe a duty of loyalty to the company.
- Watch for conflicts of interest – including situations where others may perceive a conflict.
- Disclose any conflicts of interest that exist when you come to work at PennEngineering or that may emerge later.
- Work with the company to address and resolve any conflicts. This might involve removing yourself from decision making related to the conflict.

If you think you have a conflict of interest, disclose it by talking to your manager or Human Resources. Many conflicts can be addressed and resolved without serious issue.

The following situations can lead to conflicts of interest:

- Financial interests and investments: For example, you or a relative has an ownership interest in an PennEngineering supplier, competitor, service provider or customer.
- Family members and close personal relationships: For example, you hire, evaluate or manage a family member, close friend or romantic partner.
- Outside involvements: For example, you take a political or charitable role outside of work that interferes with the company’s best interest or your job duties.

FAIR COMPETITION AND BUSINESS INTELLIGENCE

PennEngineering makes decisions regarding its commercial strategies independently. Our business relations are based on free and fair competition. We do not apply unfair business practices with our customers, suppliers, and competitors, and we adhere to all laws concerning the restriction of competition. Violations of competition or antitrust laws can lead to large fines and penalties for the company and may also apply to employees.

To do this we:

- Are careful when communicating with competitors – especially during informal discussions.
- Openly identify ourselves as employees of PennEngineering.
- Never discuss confidential topics with competitors, such as pricing, sales volumes or the type and quantity of products sold or produced.
- Never talk to competitors about dividing markets or suggest ruling out business with certain customers.
- Never fix or discuss fixing sales prices with competitors.
- Compete fairly and avoid conduct that constitutes or may appear to be manipulation of a tender or bidding process.

INTERNATIONAL TRADE

We are required to adhere to import and export laws governing cross-border trade and to play an active role in control measures.

To do this we:

- Never do business, directly or indirectly, with restricted parties, countries, or entities.
- Provide accurate and truthful information to customs and regulatory agencies.
- Comply with applicable trade laws and regulations.

Simply, we do not make agreements with competitors on topics like:

- Prices
- Coordinating of bids
- Terms or conditions of sale
- Research/development plans
- Market division or customer allocation
- Production volumes

FINANCIAL INTEGRITY AND FRAUD

At PennEngineering, we practice transparency at every level and make it a priority to prevent and detect fraud. We know our shareholders require honest and accurate information to evaluate our financial and company performance. We show integrity with our reporting, following all required accounting standards.

To do this we:

- Report and record all financial data, including revenue and expense transactions, honestly, accurately, completely and in the proper accounting period.
- Comply with applicable tax laws and regulations.
- Never make false reports or expense claims. Never intentionally record incorrect information or manipulate accounting information or financial statements to secure profits, achieve sales budgets, fulfill budgeted expenses, or for any other reason.
- Follow all reporting and disclosure requirements and cooperate with any internal or external auditors.



Protect Company Assets and Information

COMPANY ASSETS AND INFORMATION

We are all responsible for protecting PennEngineering's assets.

To do this we:

- Only use company resources for legitimate business purposes— for example, capital, personnel, software, or work equipment.
- Never use company assets for personal use.
- Take care of material assets, like equipment and buildings.
- Never sell, pledge, loan, transfer or modify our assets in a way that reduces their value, unless you have reasonable business grounds and your manager's approval.

DATA PROTECTION

PennEngineering holds a great deal of valuable information on our company networks and servers, some of which is confidential or sensitive. We all share a responsibility to help protect this information and avoid taking actions that could lead to the information being lost, stolen, or accidentally.

To do this we:

- Take appropriate measures to practice good cyber hygiene: protect our computers, devices, and company networks.
- Use strong passwords and do not share passwords.
- Store confidential information exclusively on authorized company networks and systems.

Our company's competitive advantage is based on confidential and proprietary information, including intellectual property like product schematics or manufacturing technology. Improperly revealing this information could seriously damage our business.

If you work with information that is not generally known to the public, like our trade secrets or other product or process information, take care to protect it.

Protect Company documents and avoid working on confidential matters in public, and do not discuss details where you might be overheard.

PROTECT DATA PRIVACY

Safeguarding personal information is fundamental to PennEngineering's commitment to employees, customers, and business partners. We show respect for people's privacy by safeguarding personal information and protecting it from unauthorized or unlawful disclosure or misuse. In addition, we observe all company guidelines and applicable privacy laws when we collect, store, use and share personal information about individuals, whether they are employees, customers, or others.

To do this we:

- Never access personal information stored on our systems, unless our job requires it and its' use is in line with the original purpose for which the information was collected.
- Periodically review the information we hold and discard any personal information we no longer need.

CAREFUL COMMUNICATIONS AND RECORDS MANAGEMENT

Written communication be it on paper, in electronic documents, in e-mails, or on social media, requires special attention. If approached by journalists, you should refer them without delay to the senior management of your business unit. Statements can be taken out of context and suddenly express something completely different from what was originally intended. Always communicate professionally, recognizing that it's possible for any communication to be retrieved and read in the future, without the benefit of your intentions or the original context.

To do this we:

- Are open and honest - we ensure communication is always fact-based, objective, transparent, professional, and honest.
- Always retain documents as required by company records retention schedules. We never destroy records that are, or could be, relevant to a potential or impending official investigation or court case.

Good Corporate Citizen

SOCIAL RESPONSIBILITY

PennEngineering regards itself as a citizen in the communities where employees live and work. We will always respect the culture and practices of the countries and regions where the company engages in business.

To do this we:

- Remain mindful of the impact our decisions may have on our broader communities.
- Strive to develop mutual understanding with people living in the countries and regions where we conduct business.
- Support community projects that reflect positively on our business with charitable organizations.
- Draw on our own skills and expertise to volunteer in society.

ENVIRONMENT

Conservation of the global environment is our responsibility. We are responsible in using natural resources and employ sustainable technologies whenever possible at our production sites to develop environmentally friendly products for our customers. We take action to improve our carbon footprint year after year, with the aim of being a valued member of the local economy, community, and society, including by becoming more carbon-neutral in the long term.

To do this we:

- Follow applicable environmental laws and regulations, as well as stringent internal standards.
- Avoid use of materials or methods that create environmental or health risks when suitable alternatives are available.
- Efficiently utilize resources, promote recycling, use renewable resources where possible, and optimize company processes to be more efficient.

HUMAN RIGHTS AND FAIR LABOR PRACTICES

In all corporate activities, PennEngineering will respect internationally recognized human rights and will prohibit forced labor, child labor and illegal discrimination. We perform due diligence to avoid using suppliers that offer unsafe products and services, violate applicable law, use child workers, or forced labor or subject employees to corporal punishment.

To do this we:

- Support basic human rights, respect labor laws, and do not use any form of forced, compulsory or child labor.
- Know the signs of human trafficking and forced labor and report human rights abuse immediately.
- Never work with or encourage, either directly or indirectly, antisocial organizations that threaten the order and safety of society.

Asking Questions And Raising Concerns

USE GOOD JUDGMENT AND SEEK ADVICE

No Code of Conduct can cover every imaginable situation you may encounter. Every decision and situation that you face requires good personal judgment and thoughtful consideration.

Be prepared to question yourself and your actions. If you are in any doubt, seek help from others and take advice.

RECOGNIZE AND RESPOND TO INCORRECT BEHAVIOR

We are open when dealing with mistakes. Be transparent with the company and seek assistance if you make a mistake or witness the mistakes of others. Only by discussing problems can we find solutions and improve as a team.

At PennEngineering we all share a responsibility to speak up if ever we have a question about the Core Values or this code of conduct, or think it they may have been violated. If you become aware of a breach or potential breach of this code, or other legal requirements, you must report it immediately - whether it relates to you, your manager, or anyone else. By speaking up, you will help prevent damage to PennEngineering.

We understand it is not always easy to raise concerns about possible misconduct, but we encourage you to come forward and report any concern to your manager. If you are uncomfortable addressing these topics with your manager, you should report your concern to your HR Manager, PennEngineering's Vice President of HR and Talent, or General Counsel. You may also report it via email to speakup@pemnet.com. PennEngineering is committed to investigating all potential breaches. Complaints will also be investigated in confidence, and in a fair and responsible way.



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