

# STANDARDS OF BUSINESS ETHICS AND CONDUCT

## OUR MISSION

Southwire will remain secure in a fiercely competitive industry by believing in our people, who, in turn, will ensure Southwire's performance exceeds that of all of our competitors.

## OUR BUSINESS PHILOSOPHY

As Southwire business people, we will:

- Lead our core segments by providing the best products and technology
- Consistently grow in our core markets
- Spend each dollar wisely
- Keep our debt low
- Care for our investments
- Always comply with legal and ethical standards

Through our hard work and sharing of ideas, all employees will make sure we provide the lowest cost, highest quality and best service in the industry. At all times, we will go the extra mile to help our customers thrive, knowing our success depends on theirs.

## OUR VALUES

As a family business, we will treat each other with dignity and respect – always striving to improve the quality of life for our suppliers, customers, communities and each other. From this, we will achieve satisfaction, meaning, pride and fun – never

forgetting how much of our lives we invest at work and how important it is to our fulfillment.

## OUR STANDARDS (SUMMARY)

Every Southwire employee must understand and comply with our standards. However, your responsibility does not end with simply following the rules. If you believe others may be violating any of our standards, it is your duty to notify a company manager. You can contact any of the local management team to report potential violations or to ask questions.

To make that easier, Southwire management has made the ethics program part of Just Ask. If, for some reason, you are not comfortable contacting a local manager, you can communicate through Just Ask by calling the Just Ask hotline at (770) 832-4275, e-mailing [justask@southwire.com](mailto:justask@southwire.com) or filling out a Just Ask form available from your human resources representative. You also can report potential violations by calling the General Counsel directly or by calling 1-800-380-8820.

Each of the following standards is described in detail in this booklet. You should read each of the sections carefully and make sure you understand your responsibilities. This list is intended only as a summary.

- Maintain accurate and honest books and records
- No inappropriate or undisclosed conflicts of interest
- No inappropriate gifts or favors to gain business

- No use of inside information for personal gain
- Communicate honestly with customers
- Price our products and services accurately and fairly
- Purchase competitively from qualified suppliers, while ensuring the best value
- Sell only products that meet appropriate quality and test criteria
- Comply with all federal, state, local and international laws, rules and regulations
- No discussion of fixing prices or limiting competition with competitors
- No use of bribes, kickbacks or illegal payments
- Obey all political contribution laws and regulations
- Do not cooperate in any illegal boycott or restrictive trade practice
- Do not discriminate
- Exercise good judgment with regard to the environmental impact of our actions
- Keep our work environmentally safe and healthy
- Obey all laws in every country where we do business
- Comply with import and export laws and regulations
- Guard our technology from unauthorized disclosure
- Protect company information
- Keep government information secure

## OUR RESPONSIBILITIES

**Corporate Officers and Managers** are responsible for implementing the ethics program through:

- Distribution of the Southwire Standards of Business Ethics and Conduct contained in this booklet to all employees;
- Giving all employees clear guidelines on matters of everyday business conduct;
- Making sure, through established educational and training programs, all employees are aware of and understand the Standards;
- Giving continuous counsel on company rules and regulations to any employee who seeks it;

Officers and managers also are responsible for ensuring that working environments and conditions at all locations help employees meet these Standards.

**Supervisors** have a special responsibility for the implementation of the Standards of Business Ethics and Conduct and will be evaluated in their performance for:

- Making sure all current and new employees under their supervision receive a copy of the Standards of Business Ethics and Conduct and understand the importance of following the standards;
- Reviewing this booklet with their employees and ensuring “refresher” programs are provided as necessary;
- Ensuring through continued communication that employees follow the standards in their daily duties; and,

- Keeping a workplace environment that encourages frank and open communication, where employees feel comfortable discussing the standards and sharing word of any violations they may see.

**All Employees** are responsible for:

- Knowing and staying up-to-date on the standards;
- Following the Code of Standards and the included policies and procedures and as they go about their jobs every day;
- Contributing to a workplace environment that ensures the standards are followed each day;
- Asking for help when not sure of the proper course of action;
- Staying alert to any possible actions by any employee that are illegal, unethical or in violation of the standards;
- Counseling fellow employees when it appears they may be in danger of violating the standards or company policies and procedures;
- Reporting violations of the standards.

#### ETHICS PROGRAM ORGANIZATION

Specific ethical responsibilities of employees will be clearly defined in education and training programs. Any employee still not sure about his or her responsibilities can seek additional counsel from his or her supervisor or any ethics program official.

The Standards of Business Ethics and Conduct are the centerpiece of the Southwire Ethics Program. The program has been created to make sure all daily

activities at Southwire follow the standards and that any violations are quickly corrected.

The General Counsel, who is assisted by the corporate ethics officer and the Human Resources Department, leads the Ethics Program. The Human Resources Department is responsible for educating all employees about the standards. The General Counsel makes periodic reports to the Board of Directors and Ownership.

Each unit or facility manager is a designated ethics program manager and is responsible for management of the ethics program at his/her facility. An important part of every ethics program manager's job is to make sure his or her employees know and follow the standards. Each program manager also must communicated an changes in the standards to his or her employees.

Ethics program managers provide information and advice to employees who have questions or concerns about the meaning or application of the standards.

Southwire's Legal Department provides counsel about all applicable laws, regulations and government orders.

## DISCIPLINE AND MANDATORY SANCTIONS

The standards in this booklet are important to the company and must be taken seriously by all employees. Violations will not be tolerated and will result in one or more of the following sanctions, as appropriate:

- A warning,
- A reprimand (noted in individual's permanent personnel record),
- Probation,
- Demotion,
- Temporary suspension,
- Discharge,
- Required reimbursement of losses or damages, and,
- Referral for criminal prosecution or civil action.

## ACKNOWLEDGEMENT

As a condition of employment all employees are asked to sign an acknowledgement card that states: "I have received and read the Southwire Standards of Business Ethics and Conduct. I understand these standards represent the policies of Southwire."

## OUR STANDARDS (DETAIL)

### **Business and Financial Records**

The funds and assets of Southwire must be properly and accurately recorded on the official books and records in accordance with both generally accepted accounting principles and the company's financial policies, with no false or artificial entries.

The books of account, budget proposals and the books of original entry (especially bank accounts where funds are deposited and disbursed) must honestly and accurately reflect the transactions they record in a timely manner. Such books and documents should not be organized in a way that would mislead or misinform. The documentation for transactions should meet the internal control criteria for adequate internal reporting and the materiality guidelines for external financial statement reporting.

Accounting rules require the books and records reflect certain events which impact the valuation of assets, or which result in liabilities for the company, even though the final outcome of these events is not known. In other cases, no entries are required in the books and records, but the company is required to disclose the nature of such events in its financial statements.

If you are aware of any events that could impact the company's financial statements or related disclosures, you must communicate this information to appropriate management officials. All employees must follow standards that promote full, fair, accurate, timely and understandable disclosure in reports and documents and in public communications made by Southwire. All employees are responsible for helping Southwire to maintain an effective internal control system.

### **Conflicts of Interest**

"A conflict between the private interests and the official responsibilities of a person in a position of trust."

As employees, we should consider ourselves as persons in positions of trust and we must act accordingly. We must be particularly aware of the many situations, on and off the job, where a conflict of interest could originate. Such conflicts could involve customers, suppliers, present or prospective employees, shareholders or members of the communities in which we operate. If you or any of your immediate family has any financial interest in a company (other than pure investment in public companies) that does business with Southwire there is a potential conflict and it should be disclosed.

#### **Gifts, Gratuities and Entertainment to Customers**

As a company, our continuing objective is to give our customers the highest quality product at the best possible price.

It is a serious violation of our standards for any employee to try to get a competitive advantage through the use of gifts, gratuities, entertainment or other favors.

#### **Inside Information**

We as employees must never use or share inside information, which is not otherwise available to the general public, for personal gain of any kind. For example would be trading in the stock of any public company. This does not include knowledge that you may have about the state of the wire business from working at Southwire. However, if we are involved in a transaction with a customer or supplier that will impact that customer or supplier's stock price it could be inside information.

#### **Selling and Marketing**

As employees, we should remember these key points in the sales or marketing of our products and services:

- If at any time, it becomes clear that you or the company must engage in unethical or illegal activity to win a contract, that business will not be pursued.
- It is our responsibility as employees to understand the requirements of the customer and do the very best we can to satisfy those requirements by giving realistic proposals on performance, cost and schedule.
- All information we give about Southwire products or services should be clear and truthful.

#### **Pricing, Billing and Contracting**

Employees involved in any way in the pricing, billing or contracting functions have a special responsibility to:

- Understand and follow all applicable regulations and company policies and procedures within all aspects of the sale of Southwire products or services;
- Ensure cost accounting standards, as well as relevant company policies and procedures, are properly and consistently followed;
- Set prices for company products and services that are fair and reflect their cost, the technology involved, the difficulty of overall performance, the market conditions and all other relevant factors. Our prices should be clear, accurate and presented so they are fully understood by the customer; and,

- Accurately reflect, in all invoices to customers and others, the product sold or services rendered, the true sales price and terms of sale. Payments received in excess of amounts billed must be promptly refunded or customer accounts credited, as appropriate.

### **Suppliers and Consultants**

Whenever possible, materials, supplies, equipment, consulting and other services should be competitively obtained from qualified suppliers at the lowest cost, keeping in mind the requirements for quality, performance and the vendor's ability to meet delivery schedules.

As a company and as individual employees, we will always use the highest ethical business practices in source selection, negotiation, determination of awards and the administration of all purchasing activities. We will encourage, establish and maintain competition and will at all times comply with applicable government regulations and contractual requirements as well as company policies and procedures.

Southwire employees will not accept improper gratuities from suppliers.

### **Quality and Testing**

It is our duty as a company to ensure our products are designed and manufactured to meet the appropriate inspection, test and quality criteria of our customers, to do the testing necessary to meet these criteria and to provide the necessary documentation of this testing. The inspection and testing documentation must be complete, accurate and truthful. As employees, we are

expected to be aware of and live up to this responsibility.

### **Regulatory Compliance**

All Southwire employees must comply with all federal, state, local and international laws, rules and regulations that are applicable to our business. No excuse or pressure can justify breaking a law, rule or regulation. Furthermore, no Southwire employee may use a consultant, contractor, supplier, business partner or any other person or entity to violate a law, rule, regulation, this code of business conduct or any other policy of Southwire.

### **Antitrust**

The antitrust laws of the United States and other countries are extremely important. A wide range of activities is prohibited under those laws. No agreement or understanding may be made with competitors to fix or control prices; to allocate products, markets or territories; to boycott certain customers or suppliers; or to limit the sale or production of any product.

Southwire employees shall not be a part of any meetings where competitors discuss limiting competition or fixing prices.

The antitrust statutes apply to both formal and informal communications. Employees involved in trade association activities or in other situations allowing for less formal communication among competitors, customers or suppliers must be especially alert to the requirements or the law.

Anyone in doubt as to the application of the antitrust laws in the United States or overseas should immediately talk to a company attorney.

### **Company and Customer Resources**

The ability of Southwire to meet the broad commitments to customers, suppliers, employees, shareholders and communities depends on efficiently using company and customer resources. These resources include technology, data, buildings, land, equipment, cash and the time and talent of employees. The payment of bribes, kickbacks or illegal payments of cash or other gifts in any form and in any amounts is strictly forbidden.

Other examples of improper use include unauthorized appropriation, possession or personal use of company or customer assets, technology and patents, software, computers, communication and copying equipment or office supplies. Also forbidden is the unauthorized possession, use, alteration, destruction or disclosure of company sensitive data.

### **Political Contributions**

Federal law and many state laws prohibit contributions by the company to political parties or candidates. Where prohibited by law, no company funds or other assets are to be contributed or loaned, directly or indirectly, to any political party or for the campaign of any person for political office. Likewise contributions cannot be made in opposition to a party or person.

Where corporate political contributions are legal, such contributions shall be made only from funds allocated for such a purpose by appropriate company officials.

### **Non-discrimination**

Southwire is committed to recruiting, hiring, developing and promoting employees without discrimination on the basis of race, sex, age, national origin, religion, disability or veteran status. We expect our employees to treat each other with respect and to learn to appreciate other backgrounds and cultures. Southwire does not tolerate harassment based on race, sex, national origin, religion, disability or veteran status.

### **Environmental Actions**

As a company and as employees, we must exercise good judgment with regard to the environmental impact of our actions. We must focus on eliminating the generation, discharge and disposal of hazardous materials. We must fully obey all federal, state and local environmental protection laws and regulations. Questions about environmental issues should be directed to the facility environmental coordinator, corporate environmental management or the Legal Department.

### **Safety and Health**

As a company and as individual employees, we are responsible for keeping our work environment safe and healthy. We must obey fully all federal, state and local health and safety laws and regulations. You must report to your supervisor any unsafe conditions you see.

### **International Business**

We must be especially careful to identify and accommodate the differences between international markets and those in the United States.

As a company operating internationally, we find laws that may vary widely from those in the United States. These laws may sometimes conflict with one another. Local customs and practices in business and social dealings may also vary from country to country.

Our policy is to obey all laws that apply in the countries where we do business. Furthermore, in countries where common business practices might be less restrictive than those outlined in the standards, we will follow the standards outlined in this booklet.

One issue we have faced in the past is pass-throughs. We will not participate in a transaction that involves generating an invoice that includes anything we are not being directly paid for, nor will we inflate the price.

The Foreign Corrupt Practices Act and other U.S. laws prohibit the payment of any money or anything of value to a foreign official, foreign political party (or official thereof) or any candidate for foreign political office to obtain or retain business. As a company and as employees, we must strictly abide by these laws. Any violations or any solicitations to violate must be reported immediately to the Legal Department.

The Foreign Corrupt Practices Act is said not to prohibit so called "facilitating payments," such as payments for expediting shipments through customs or placing a transoceanic telephone call, securing required permits, or obtaining adequate police protection. These are seen as transactions that simply facilitate the proper performance of duties. While company policy does not prohibit such payments, employees are to check with the company's legal counsel in advance in cases where facilitating payments may be involved.

### **Import and Export Compliance**

When the company imports products or components, we must keep records as required by import laws and regulations, determine the correct country of origin and use the correct harmonized tariff classifications.

Federal law controls all United States origin commodities and technology. All non-United States origin commodities and technologies require a proper export license from the appropriate non-United States authority. All exports and re-exports of commodities and technology must have an appropriate export license from the appropriate authority before they leave any Southwire facility.

Failure to comply with import and export regulations can result in fines, criminal penalties and suspension of export privileges for the company. Individual employees also may be subject to civil and criminal penalties for knowing about violations of these regulations.

### **Embargo/Anti-boycott Laws**

Southwire does not cooperate in any boycott or restrictive trade practice that is prohibited or penalized under U.S. law. Any request for such participation or information that would be used by boycotting countries must be reported promptly to the Legal Department.

Exports to or imports from countries proscribed or under embargo by the United States are generally prohibited. Occasional sanctions and trade restrictions also may be imposed on certain countries for foreign policy reasons. It is unlawful to conduct business with

these countries until the embargoes, sanctions or trade restrictions are lifted.

### **Protecting Company Information**

Information about our company's strategies, products, services and technical capabilities is critical to our success. It gives us our market advantage. Once exposed or stolen, it cannot be recovered. Even if we go to court and win, the information has become public and its value is diminished or destroyed. Employees must know how to protect company information and must sign an "Employee Invention and Non-Disclosure Agreement."

All of us are given company information in trust. We must protect it and use it appropriately, whether the information is our own or has been obtained from our business partners, customers, suppliers or other third parties. For example, revealing information about Southwire's business plans or technical strategies to a competitor could result in a lost market advantage or breach a third-party agreement.

Each of us has the responsibility to prevent proprietary information from being inappropriately shared. This information can include business, financial or marketing plans; internal discussions and debates; employee information; engineering designs; prototypes; demonstrations; joint venture agreements; and manufacturing processes.

Casual conversation and comments shared through electronic communications are two of the most common ways we inappropriately disclose information. Non-public company information should not be discussed with friends, family or anyone other

than coworkers who are involved in the matter. Be careful when talking to coworkers about our work, particularly at restaurants, trade shows, conferences, on airplanes or mobile phones or at any other place where others could overhear.

The best strategy is not to discuss in any public place any information that has not been made public. Also, be sure not to leave memos, documents, drawings or other information in open or public areas. Erase white boards and chalk boards. Turn off computers when you leave work for the day or are going to be out of the office for an extended period of time. If you are working on your computer in a public place, e.g., on an airplane, make sure no one is reading the screen. Maintain passcodes on laptops. Shred correspondence, notes, memoranda, charts, etc. that contain proprietary information.

### **Technology and Information**

The backbone of Southwire as a competitive business is our ability to develop and use unique technology in day-to-day operations. Failure to maintain control of our technological edge could cause us irreparable harm.

As employees, we are responsible for guarding our technology against unauthorized disclosure. This applies not only to government-classified information, but also to proprietary and private data developed or purchased by us or given to us by customers or suppliers. These restrictions apply whether the information is in written or electronic form or is simply known by us as employees.

### **Security Clearance**

Southwire is a supplier to government contractors. We, as employees, have a special obligation to follow those government regulations and laws, as well as with relevant company policies and procedures, which regulate this relationship.

The effectiveness of national and industrial security is heavily dependent on those individuals who have access to classified information. As employees, security is an integral part of our jobs, even if we do not work directly with such information.

Employees having a valid security clearance and requiring access to specific limited information will ensure such information, in whatever form it exists, is handled strictly in accordance with the procedures for safeguarding classified information.

We should not try to get, accept or keep any classified materials we do not need or to which we are not entitled.

The unauthorized possession of classified documents or classified information in any form, or failure to properly safeguard such information, violates these standards, can endanger the security of the United States. It is punishable under espionage laws and federal criminal statutes.

### **Proper Use of the Ethics Program**

An important aim of the ethics program is to provide guidance to all employees on ethics and business conduct. The program is available to answer questions, give advice, address concerns and investigate

allegations related to the meaning and application of the Standards of Business Ethics and Conduct.

If in the name of "ethics," any employee attempts to harm or slander another employee through false accusations, malicious rumors or other irresponsible actions, such attempts, if proved to be true, will be subject to discipline.

If other employees – including management – threaten an employee who exercises responsibility for upholding the standards, the threatening employees will be disciplined.



What's on your mind?

Do you have a suggestion for cutting costs or making things run more smoothly in your work area? Have you got a question regarding benefits, company policies or the business in general? Do you simply want to comment on something at Southwire, but just haven't figured out a way to do so?

Welcome to Just Ask, a new line of communication that will allow your questions, thoughts and suggestions to be heard and addressed.

Sure, Just Ask has existed in other forms at Southwire before. Those programs have enjoyed successes and suffered from drawbacks. We have learned from those and we think we have built a better program based on those experiences.

The one thing that remains constant is the importance of your input. Your daily jobs put you on Southwire's front line and give you a unique view of areas where efficiency can be improved. Your questions, suggestions and even your complaints help to strengthen the company. Your contributions are invaluable.

So how does Just Ask work? It's really quite simple. You've probably started already by coming up with ideas or suggestions. Several options exist that will allow you to submit those, including:

- **Just Ask forms.** Forms are available from your human resources representative. Completed forms can be returned to Southwire Communications in Carrollton through interoffice mail. In Carrollton, forms also can be placed in job bid drop boxes.
- **E-mail.** Simply send your comments or questions to [justask@southwire.com](mailto:justask@southwire.com).
- **Phone.** Call extension 4275 or (800) 444-1700, extension 4275, and leave your comments or questions on the Just Ask voicemail box.

Twice a month, Southwire Communications will compile submitted comments and forward them to the appropriate areas. The communications team will answer general questions and forward specific ones to the appropriate areas for answers.

While you don't have to include your name, direct replies can be made only to those comments or suggestions accompanied by a name and department number. General questions regarding company wide issues will be included in Just Ask sections of the daily Southwire Source e-mails, SNN and Inside Southwire.

It's really that easy. Keep in mind that while Just Ask is an excellent way for you to provide feedback, some questions may not be answerable for confidentiality reasons. But, at a minimum, all questions, comments and suggestions will be reviewed and considered.

So the next time something's on your mind...Just Ask.