

BH ELECTRONICS, INC

CODE OF BUSINESS CONDUCT

Overview

BH Electronics (BHE) is committed to the highest standards of ethics and business conduct. As stated in our Code of Ethics, BHE employees must comply with the law, honor their commitments, act in good faith, uphold BHE's values, seek to advance the interests of stakeholders, communicate openly and effectively, and hold themselves accountable.

Compliance with Laws

At a minimum, BHE will maintain full compliance with all laws and regulations applicable to the operation of its business.

Quality & Environmental Health and Safety

BHE products will be designed, produced, and delivered with the paramount consideration being the safety and health of its employees and customers. BHE will have in place quality assurance processes to detect, communicate and correct defects to ensure delivery of products and services that meet or exceed contractual quality and legal and regulatory requirements. All required inspection and testing operations will be completed properly by appropriately authorized and qualified individuals, and any required certifications will be completed accurately.

BHE will not only comply with all applicable environmental, health and safety laws, regulations and directives, but also conduct its operations in a manner that safeguards the environment, minimizes waste, emissions, energy consumption, and the use of materials of concern. BHE will also assure safe and healthy work environments for its employees and business invitees.

Competition on the Merits and Fair Play

BHE will compete strictly on the basis of the merits of its products.

BHE will not pay a bribe in any amount, to anyone, anywhere, for any reason whatsoever. Accordingly, BHE will never offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to forego their duties and provide unfair business advantage. This includes facilitating payments (e.g., payments to expedite or secure performance of a routine governmental action like obtaining a visa or customs clearance).

BHE will not engage in any anti-competitive conduct for any reason whatsoever. Accordingly, BHE will never rig bids, fix prices, or allocate customers or markets, or exchange competitively sensitive information (e.g., price, cost, output, etc.) with

competitors. BHE will also refrain from abusing its market power by refusing to deal, engaging in predatory or discriminatory pricing practices, conditioning the sale or provision of a particular product or service with that of another product or service, or undertaking similar abusive tactics.

BHE will not engage in other deceptive or unfair market practices. Accordingly, BHE will never make misrepresentations regarding products or services. Similarly, BHE will never denigrate competitors, or their products or services.

Conflict of Interest

BHE will avoid all conflicts of interest or situations giving the appearance of a conflict of interest in its dealings. BHE will report any instances involving actual or apparent conflicts of interest between BHE interests and those of its customers such as when one of BHE's employees (or someone close to one of BHE's employees) has a personal relationship with a customer's employee who can make decisions impacting BHE's business, or when a customer employee has an ownership or financial interest in its business.

International Trade Compliance

BHE will conduct business in strict compliance with all applicable laws and regulations governing (a) the export, re-export and retransfer of goods, technical data, software and services; (b) import of goods; (c) economic sanctions and embargoes; and (d) U.S. anti-boycott requirements.

Government Procurement

BHE will take special care to comply with the unique and special rules that apply to contracting with the U.S. Government. If BHE supports a contract with the U.S. Government, BHE will at all times follow the U.S. Government's rules for competing fairly, honor restrictions applying to U.S. Government employees (e.g., receipt of gifts and employment), deliver products and services that conform to specifications, laws and regulations, adhere to government accounting and pricing requirements, claim only allowable costs, ensure the accuracy of data submitted and comply with all other applicable U.S. Government requirements.

Information Protection

BHE will respect the legitimate proprietary rights and intellectual property rights of others. BHE will take proper care to protect sensitive information, including confidential, proprietary and personal information. BHE will not use such information for any purpose other than the business purpose for which it was provided, unless the owner of the information provided prior authorization.

Accuracy of Records and Submissions

BHE will maintain books and records that accurately and completely reflect all transactions related to its business and each of its submissions to, its customers, and regulatory authorities must be accurate and complete. BHE will never make any entry in its books and records or alter, conceal, or destroy any document to misrepresent any fact, circumstance, or transaction related to its business.

Child Labor

BHE will ensure that child labor is not used in the performance of its work. The term “child” refers to any person under the minimum legal age for employment where the work is performed.

Non-Discrimination

BHE will treat its existing and prospective employees and business partners fairly, based only on merit and other factors related to its legitimate business interests, and without regard to race, religion, color, age, gender, gender identity or expression, sexual orientation, national origin, marital status, veteran status or disability.

Human Trafficking

BHE will comply with laws and regulations prohibiting human trafficking. BHE will not engage in the use of forced labor, bonded labor, indentured labor, involuntary prison labor, slavery or trafficking in persons.

Anonymous Reporting & Reporting Misconduct

BHE will provide to its employees and business partners, access to adequate reporting channels to raise legal or ethical issues or concerns, including, without limitation, reports of a violation of this Code by BHE or its business partners, without fear of retaliation, including opportunities for anonymous reporting. “Such reports may be made to:

Office of Human Resources
BH Electronics, Inc.
604 Michigan Road
Marshall, MN 56258

507-532-3211

In the event that BHE becomes aware of misconduct related to customer business undertaken by any customer employee, any of BHE’s employees, or any employees of its business partners, BHE will promptly notify the customer. BHE will promptly investigate reports of legal or ethical issues or concerns.

Ethics & Compliance Program

Commensurate with the size and nature of BHE’s business, BHE will have management systems, tools and processes in place that (a) ensure compliance with applicable laws,

regulations and the requirements set forth in this Code; (b) promote an awareness of and commitment to ethical business practices, including, without limitation, the expectations set forth in this Code; (c) facilitate the timely discovery, investigation, disclosure and implementation of corrective actions for violations of law, regulations or the expectations set forth in this Code; and (d) provide training to BHE employees on compliance requirements, including the expectations set forth in this Code.

BHE Business Partners

BHE carefully selects its business partners, and performs due diligence, audit, and oversight to prevent and detect misconduct. BHE will flow down the principles set forth in this Code to these business partners.