



# CODE OF CONDUCT

ELTEK'S POLICY IS TO CONDUCT ITS WORLDWIDE OPERATIONS IN  
ACCORDANCE WITH ALL APPLICABLE LAWS AND THE HIGHEST BUSINESS  
ETHICAL STANDARDS

Date modified: September 25, 2015  
Version 2.0

## A LETTER FROM THE PRESIDENT

Eltek Code of Conduct is a statement of our commitment to conducting our business without compromising on integrity. We are committed to maintaining a corporate governance standard that ensures best practices are followed, corporate assets are protected, and shareholder interests are promoted.

We are committed to diligently manage our affairs consistent with the highest principles of business ethics. Put simply, performance with integrity is what we are about.

Working with a strong sense of integrity is critical to maintaining trust and credibility with our customers, partners, and other stakeholders. We take very seriously our responsibility to shareholders, our employees, and the community. Toward this end, we communicate openly about our business and business practices, and we remain committed to abiding by the spirit, not just the letter of the law.

We'll continue to challenge ourselves in every aspect of what we do to achieve tomorrow's goals. Our quest for competitive excellence begins and ends with the commitment of all individuals acting on behalf of Eltek to lawful and ethical conduct. This commitment to business integrity will continue to form the foundation upon which our future is built.



Colin Howe  
PRESIDENT  
September 25, 2015

# 1. INTRODUCTION

Corporate ethics are about more than avoiding violation of the law; they are also about how we behave towards each other and the outside world. It is Eltek's policy to conduct its worldwide operations in accordance with the highest business ethical standards, to comply with the laws of the countries in which Eltek operates, and to conform to locally accepted standards of good corporate citizenship. To reaffirm this policy, the Company has adopted Corporate Governance policies and procedures including this Code of Conduct.

All Eltek employees, members of Eltek Board of Directors, and all others acting on the behalf of Eltek are obliged to comply with the standards in the Code. The Code applies to Eltek and all Eltek Group Companies in which Eltek directly or indirectly owns more than 50 percent of the voting shares or in which the control is possessed and exercised by or on behalf of Eltek. References to "Eltek" or "the Company" or "Group" in this policy are meant to include references to Eltek AS, Eltek Power Systems AS and all entities of the Eltek Group.

Line managers shall have an understanding of this Code as a platform for business decisions. It is the line manager's responsibility to make sure that every employee is aware of and complies with the Code. It is the duty of each Eltek employee to read and adhere to these guidelines. Violation of the Company's Code of Conduct may result in disciplinary action and, in the worst cases, termination of employment.

Any questions about how this Code shall be interpreted or applied shall be addressed to your immediate leader. If you cannot, or are not able to get in contact with your immediate leader, you should move up the chain of command. Any unanswered questions shall be addressed to the Eltek Group Compliance Officer (the policy owner) or any member of the Eltek Compliance Network (the Group Compliance Officer's international compliance team) as indicated in the Code. Any changes to or waivers of this Code may only be made by the Eltek Board of Directors.

## **2. GENERAL GUIDELINES**

### **Human worth**

Eltek supports and respects internationally proclaimed human rights including those specified in the UN declaration and conventions and in the International Labour Organization's core conventions. You shall respect the personal dignity, privacy and rights of each individual with whom you interact during the course of work and shall not cause or contribute to the violation or circumvention of human rights.

### **Working environment**

Eltek is committed to providing a working environment that is positive and professional and that respects the International Labour Organization's fundamental conventions.

Eltek recognizes and respects the right to freedom of association and the right to collective bargaining in accordance with national laws and regulations.

Eltek shall not employ or contract child labor or any form of forced or compulsory labor. Eltek is opposed to all discriminatory practices. No direct or indirect negative discrimination shall take place on the basis of religion, skin color, gender, sexual orientation, age, national or social origin, race, disability, language, employee representation, or political or other opinions.

We do not tolerate bullying, mental or sexual harassment, discriminatory gestures, language or physical contact that is or can be perceived as sexual, coercive, degrading, threatening, abusive or exploitative.

### **Health, safety, and employee security**

Eltek is committed to protecting the health and safety of our employees. We shall do our utmost to identify occupational risks in order to prevent accidents and occupational diseases, mitigate hazards, establish controls and monitor performance. Performance will be reported in a transparent and accurate manner. It is the responsibility of all of us to adhere to the prescribed safety rules and to raise any concerns that may represent a potential threat.

### **Nature and environment**

Eltek is committed to conducting its operations with due regard for its environmental impact. We aim to ensure that protecting the environment becomes an integral part of our day-to-day business through integrating environmental management practices into all aspects of our business. We shall adhere to relevant local and internationally recognized standards, continuously work to improve our environmental performance and minimize environmental damage by developing, promoting and utilizing environmentally friendly technology.

## **3. RELATIONS WITH CUSTOMERS, SUPPLIERS, COMPETITORS, AND PUBLIC AUTHORITIES**

### **Customers**

Eltek customers shall be met with insight, respect and understanding. You shall always try to meet the needs of the customer in the best possible manner, within the guidelines laid out in

the Company's core values and the principles set forth in this Code. Each customer's information shall be protected in accordance with the relevant regulations on protection of personal data.

## Suppliers

Eltek suppliers shall be treated impartially and justly. Suppliers in competition for contracts with Eltek shall be able to trust Eltek's selection processes. Therefore, when selecting suppliers, you should follow the Group's established guidelines and routines at all times. You shall help our suppliers understand Eltek's principles for supplier conduct, and be alert to activity by suppliers that may be in breach of our principles for supplier conduct.

## Competitors

You shall always meet the Group's competitors in an honest and professional manner. Eltek wishes to promote fair and open competition in all markets, both national and international. Under no circumstances shall you cause or be part of any breach or violation of relevant competition laws or regulations.

## Public authorities

Public authorities shall be met in an open and appropriate manner. Unless otherwise agreed, public information about the Group shall only be provided by Eltek's management or by the person responsible for public communications.

## 4. ANTI-CORRUPTION

Eltek is firmly opposed to all forms of corruption and will work to ensure that corruption does not occur in the Group's business activities. Eltek's comprehensive anti-corruption policy is to comply with all applicable anti-corruption laws in places where Eltek and its subsidiaries operate and/or to which Eltek is otherwise subject.

Eltek prohibits anyone from demanding, receiving, or accepting any offer of undue advantage for him/herself or others in connection with a position, engagement or task, or from offering or giving any person the same. This ban also applies for improperly seeking to influence someone else in their position, engagement or task, whether in the public or private sector.

If you need guidance on applicable legislation or how to interpret this Code, you should contact your immediate leader. If you are not able to get in contact with your immediate leader, you should move up the chain of command. Unanswered questions should be addressed to the Eltek Compliance Network.

## Corruption, bribery, and trading in influence

A bribe occurs when someone attempts to influence a decision by offering some form of undue or improper advantage, favor or incentive. You must never offer, give, ask for, accept or receive any form of bribe, nor shall you use agreements with middlemen to channel payments to anyone in a way that would circumvent or facilitate corruption.

## Facilitation payments

Facilitation payments are payment made to public officials to expedite or secure the provision of products or services to which one has a rightful claim. Public officials include any person employed by or acting in an official capacity for or on behalf of a government, members of political parties, or any department, agency or government owned entity.

Eltek is against facilitation payments and you must not pay if faced with demands.

Facilitation payments may be made in order to protect lives, health and property when no other alternative exists.

If approached with such payments you should, if possible, contact your immediate leader for consultation and approval. If you are not able to get in contact with your immediate leader, you should, if possible, move up the chain of command. Unanswered questions shall be addressed to the Eltek Compliance Network. If facilitation payment has been made, management is required to inform the Eltek Group Compliance Officer about the circumstances and the amount paid.

## Middlemen / intermediaries

Due care should be exercised in the selection and use of external representatives for the Eltek Group so that Eltek under no circumstances becomes involved in corrupt or fraudulent activities conducted by its middlemen.

Eltek expects intermediaries to act in accordance with the Company's ethical standards as set forth in this Code and applicable legislation. Before intermediaries are hired, it must be ensured that the intermediary's reputation, background and abilities are appropriate and satisfactory. No business relationship shall be established with any intermediary or other third party unless such intermediary is approved by Eltek according to standard terms and conditions of appointment. The performance of the intermediary relative to Eltek's ethical expectations should be regularly monitored, and remedial action should be taken if performance falls short.

## Lobbyists

It is only permissible to use a lobbyist if such person fully discloses that they represent Eltek to the person or body Eltek wishes to influence, whether it is in the public or private sector. It is therefore required that all contracts with lobbyists impose an obligation on the lobbyist to disclose this information.

## Gifts, entertainment and hospitality

Caution shall always be exercised in relation to offering or accepting gifts or other enticements that could affect business decisions. Eltek does not offer or accept expensive or extravagant gifts or business courtesies. Nor do we offer or accept any cash or cash equivalents as gifts. You are not allowed to accept gifts or business courtesies unless they are insignificant in value and are only offered on an occasional basis. However, the rules of common courtesy should be followed when possible. In situations where it would clearly give offence to refuse any gift of value, the gift must be handed over to Eltek and will be regarded as Eltek property.

Any doubts or questions concerning the acceptance or offer of gifts, hospitality or other enticements must be discussed and agreed with your immediate leader and approved.

## **Political contributions, charitable donations and other social investments**

No political contributions shall be offered or made on behalf of Eltek, unless approved by the Eltek Group Compliance Officer. Charitable donations or other social investments of significant value should be avoided due to the potential for the appearance of impropriety. If you consider making a donation or investment of significant value you must contact the Eltek Group Compliance Officer for approval in advance.

## **Money laundering**

Eltek is firmly opposed to all forms of money laundering and shall take steps to prevent any of its financial transactions from being used by others to launder money. You should only conduct business with partners involved in legitimate business activities with funds derived from legitimate sources.

# **5. RELATIONS TO EMPLOYEES' PRIVATE INTERESTS AND ACTIONS**

## **Duties, positions and ownership of external businesses**

Unless you have prior written permission from your immediate leader, you shall not hold external duties or positions with a scope and workload that may affect your ability and capacity to satisfactorily perform your job. Board duties, consultancy for or ownership of customers', suppliers', joint-venture partners' or competitors' businesses and duties or positions of a scope or nature that can affect an employee's working relationship with Eltek shall be expressly agreed in writing in advance by your immediate leader.

## **Political activity**

If you take part in political activities, you will be granted leave from your work in accordance with local law and applicable agreements within a reasonable time frame and with due regard to the implications for the ongoing business activities. You shall notify your immediate leader in advance if you want to take such a leave of absence.

# **6. ASSETS**

## **Internal control and authority**

Eltek has an internal control framework to ensure compliance with laws and company regulations and to protect the values (assets) of the business.

Eltek has an authority matrix that regulates what authority employees and managers have to make commitments on behalf of the company. It is the responsibility of each manager to ensure that each individual knows about and operates within such authorization.

## **Loyalty, impartiality and conflict of interest**

Conflicts of interest shall, wherever possible, be avoided. Service to Eltek shall never be subordinated to personal gain and advantage. Anything that would present a conflict for you would likely also present a conflict if it were related to a member of your immediate family.

You shall not take actions nor have interests that make it difficult to perform your work objectively or effectively, or attempt to influence a decision if there is a conflict of interest or other circumstances that could give grounds to question your impartiality.

Should a conflict of interest arise you shall evaluate the circumstances on your own initiative and notify your immediate leader of your possible partiality or the possible conflict of interest.

## **Confidentiality**

You shall keep confidential all corporate and other matters that could give third parties unauthorized access to confidential information. Caution shall be exercised when discussing internal affairs so as to avoid being overheard by unauthorized persons. If confidential information is to be shared with external parties, it is your duty to ensure that a written confidentiality agreement is in place. The duty of confidentiality also applies after the conclusion of your employment or contractual relationship with Eltek for as long as the information is considered to be of a sensitive nature or in any other way confidential.

## **Protection of personal data**

Eltek's processing of personal data shall be subject to the care and awareness that is required pursuant to laws and regulations. Employees shall only collect, process, and store personal information, in particular customer's personal data, for legitimate business purposes and shall keep such data no longer than necessary for the purposes for which that data was collected.

## **Intellectual property**

Eltek's intellectual property shall be safeguarded from unauthorized access, sharing and illegitimate use. You are required to protect and process Eltek's intellectual property in the interest of the Group. Eltek shall respect the intellectual property of others, and in particular comply with all confidentiality obligations regarding trade secrets disclosed by third parties.

## **Properties and assets**

Eltek's properties and assets, e.g. buildings and equipment, shall be managed and safeguarded in a manner that protects their value. You shall observe the Group's security requirements concerning access to and use of the group's facilities, IT resources and access to electronic resources and documents.

## **Use of Company's electronic equipment and IT-systems**

You may not use any electronic equipment or IT-systems of a network provided by the Company for any communication that contains content that may be reasonably considered offensive, defamatory, harassing or disruptive to any recipient. Electronic communications by employees, including use of any social media that by normal standards may be considered to constitute verbal abuse, defamation or harassing, vulgar, and obscene or threatening is strictly prohibited. Without prior notice, the Company reserves the right to block internet use, and will do so for legitimate business purposes. Inappropriate use of the internet is strictly prohibited. Inspections may be conducted by Eltek in accordance with the local applicable law and internal policies and principle.



## Accounting and financial reporting

Eltek's accounting processes shall ensure that all transactions are correctly registered in accordance with local law and good accounting practices. Employees shall follow the Company's accounting procedures and ensure proper documentation. If you participate in Eltek's reporting processes, you shall understand applicable valuation and presentation requirements and comply with the Company's disclosure controls and/or requirements as per IFRS and other relevant standards.

## Information, communication and contact with the media

All information from Eltek shall be reliable and correct. If you through your work deal with information you are responsible for meeting these standards. Communication with the media, the public and the financial markets shall only be done by authorized personnel in accordance with established guidelines and routines and shall comply with the regulations and practices applicable to publicly listed companies.

## 7. REPORTING AND ACCOUNTABILITY

Should you become aware of any infringement of Eltek's Corporate Governance policies and procedures or the guidelines set forth in this Code, or any kind of unethical or illegal activities, or should you get involved in situations that involve ethical dilemmas, these concerns must be reported immediately.

You should usually report any concern to your immediate leader. If you cannot contact your immediate leader, you should move up the chain of command. However, if you have reasons not to approach your local line management, your concerns may be brought forward in one of the following ways:

- Eltek website [www.eltek.com/whistleblower](http://www.eltek.com/whistleblower)
- E-mail to the Eltek Group Compliance Officer at [compliance.officer@eltek.com](mailto:compliance.officer@eltek.com)
- Fax + 47 3220 3302 to the attention of the Eltek Group Compliance Officer
- As a last resort, you may address your concerns to the Eltek Board by email to [board@eltek.com](mailto:board@eltek.com)

You may report in your preferred language. Please include as much information as possible about the perceived misconduct.

The Eltek Group Compliance Officer will decide how complaints and concerns are to be pursued. Should the complaint or concern involve the Eltek Group Compliance Officer, your concern should be directed to the chair of the Eltek Board.

It is highly preferable that you identify yourself when you submit a complaint or concern. This will ensure more efficient processing and lead to a rapid resolution. In addition, you will receive direct feedback regarding the outcome. Your complaint or concerns will be handled in confidence and in compliance with applicable legislation, and appropriate action will be taken to investigate any concerns reported. Employee's identities will not be disclosed to any of the reported person(s). This applies to all stages of the process. An exception may have to be made if further investigations, in particular legal proceedings, require disclosure. However, anonymous complaints will also be accepted, and Eltek will not attempt to identify any anonymous disclosers. Anonymous complaints or concerns may be submitted by using the "whistleblower" channel on the Eltek web-site, or by using the dedicated fax number.

Eltek will not implement or tolerate sanctions in any form, including discrimination or harassment, against any individual who, in a timely and responsible manner, reports concerns or complaints through any of the above mentioned channels about possible infringements of Eltek's policies and procedures, the guidelines set forth in this Code, applicable laws or other blameworthy circumstances in Eltek's business. If you experience sanctions or retaliation in any shape or form for reporting integrity concerns or complaints in good faith, you should immediately contact the Eltek Group Compliance Officer. Concerns or complaints submitted in good faith and on reasonable grounds will have no negative consequences whether the reported facts turn out to be true or not. However, reckless, frivolous or vexatious reporting or knowingly submitting a false report as determined by the Eltek Group Compliance Officer may subject employees to disciplinary actions.

## **8. COMPLIANCE**

You are required to familiarize yourself with and adhere to Eltek's Code of Conduct and related policies.

The Code of Conduct is reviewed as needed and at least every second year. Eltek reserves the right to modify, amend, suspend or terminate the Code of Conduct with notice to all employees.

The latest applicable version of the Code of Conduct will be available at all times on the Eltek intranet and website. Employees are required to keep themselves updated and informed about the latest applicable version of the Code of Conduct.

Each employee must confirm compliance with the Code of Conduct each time the Code is revised or as deemed necessary by the Eltek Group Compliance Officer.

Eltek is continually taking steps to ensure that all leaders throughout the Company enforce and support compliance with the Code through providing employees and business partners with the necessary guidelines, training and support.

## 9. REFERENCES

- United Nations Global Compact: [www.unglobalcompact.org](http://www.unglobalcompact.org)
- International Labour Organization: [www.ilo.org](http://www.ilo.org)
- OECD Guidelines for Multinational Enterprises: [www.oecd.org](http://www.oecd.org)
- Transparency International: [www.transparency.org](http://www.transparency.org)