

CODE OF CONDUCT

Introduction

Trafotek Group develops, designs and manufactures industrial inductive components that help in improving the quality and availability of electricity and in efficient conversion of renewable energy into electricity. Safety, quality, technological leadership and customer-driven operations are our key success factors.

Trafotek Group's vision is to be the partner of choice for our customers, who are the industry leaders in their respective lines of business. Our operational model is based on very close cooperation with our customers, technological leadership and global execution capability.

Our expertise and long experience in power electronics and power transformers is the cornerstone of our company's business. Our business success and continuity is ensured by mastering our relevant existing and new technologies, by efficient production and materials management, and by the high quality of the products.

Our employees are skilled and motivated to manage their own work. Expertise and well-being is monitored and developed by continuous training and employee engagement programs. Environmental and occupational safety and health (OHS) awareness training and information is provided on a regular basis.

Our continuous improvement of processes ensures that our operations meet high standard in terms of quality, the environment and occupational safety. Continuity of supply in exceptional circumstances is secured by contingency plans to minimize the impact to the customer.

Trafotek's operations comply with all legal and regulatory requirements. Each employee is expected to act responsibly and with integrity and honesty, and to comply with this Code of Conduct and its underlying policies and instructions.

Compliance with laws and openness

All business and other activities of Trafotek shall be carried out strictly in compliance with all applicable laws, and under the principles of good corporate citizenship in each country where such activities take place.

Each employee is expected to comply with the requirements of those laws and regulations that apply to Trafotek's operations and to his/her job.

Trafotek promotes openness and transparency, as well as continuous dialogue with its stakeholders, including customers and other business partners, shareholders, employees and authorities.

Respect for human and labor rights

Trafotek supports and respects the protection of human rights as defined in the United Nation's Universal Declaration on Human Rights. No employee is allowed to take any action that violates these human rights principles, either directly or indirectly.

Trafotek supports labor rights as defined by the International Labor Organization. Trafotek Group does not accept any form of forced or compulsory labor, or the use of child labor.

Fair employment practices

Trafotek promotes freedom from discrimination based on race, ethnic or national origin, color, gender, family status, sexual orientation, creed, disability, age or political beliefs, or other characteristics protected by law. Trafotek fosters equal opportunity and employees are selected and treated on the basis of their abilities and merits. Trafotek does not accept any form of discrimination, harassment or bullying by its employees.

Occupational health and safety

Trafotek Group endeavors to create safe workplaces for its employees, contractors, and others working in various locations by applying high standards of occupational health and safety.

Trafotek evaluates its processes in order to ensure the high standard of safety at all work stages. We measure and follow our efforts on safety issues. Safety information and follow up form part of the daily routine of all personnel. Each employee is responsible for using personal protection equipment when required, and for reporting on any shortcomings regarding safety instructions or protection measures.

Conflicts of interest

Trafotek expects full loyalty from its employees and that all its employees act and behave in the best interest of the company. Employees must avoid situations where their personal interests may conflict with those of Trafotek. This means, for instance, that employees are not allowed to accept gifts or entertainment from a stakeholder, except for a gift or entertainment of a minor value given on an occasional basis, providing it does not create a legal or ethical trespassing, a conflict of interest situation or an undue reciprocity obligation.

Anti-corruption

No Trafotek company or any of its employees may, directly or indirectly, promise, offer, pay, solicit, or accept bribes or kickbacks of any kind, including money, benefits, services or anything of value. Such payments and favours may be considered bribery, which violates local legislation and internationally recognized principles for combating corruption and bribery.

Environment

Trafotek business has potentially a great, beneficial impact on the environment, more specifically by improving energy efficiency and promoting the effective use of renewable energy sources, and thus by combatting climate change. Our products help our customers improve energy efficiency and to use better energy by cleaning and smoothing the electricity flow in the electricity networks.

Trafotek monitors the effect of its own operations on the environment and constantly improves its processes and reduces the environmental effects of the procedures used. We recycle our waste and are constantly looking for more effective ways to minimize our impact on the environment.

Each employee shall comply with the policies and instructions regarding environmental protection.

Quality

We plan our quality both in processes and in products. By planning we are able to set targets and objectives and ensure effective actions relating to the most important improvement requirements. All

personnel are able and required to give and act upon quality feedback. Corrective actions and quality improvement plans are handled as part of standard working processes and routines. All personnel receive feedback from quality measurements and results.

Accuracy of accounting records

Trafotek's accounting records must be accurate and reliable in all material respects. Unrecorded funds are prohibited. The records cannot contain any false, misleading, or artificial entries.

Anti-fraud

Trafotek does not tolerate fraudulent behaviour or activities, such as embezzlement, fraud or theft. Such violations will lead to immediate termination of employment and are subject to criminal sanctions.

Reporting violations

Any Trafotek's employee becoming aware of a potential violation of this Code must contact his or her superior or Human Resources Department. Trafotek will investigate all reported matters with discretion. Trafotek shall not take any adverse actions, as a result of such reporting, against any employee reporting in good faith what he or she believes to be a violation of this Code.

Sanctions

Violation of this Code may lead to a warning, termination of employment and payment of damages. Additionally, certain violations of a criminal nature can lead to criminal sanctions, such as fines or imprisonment.

Implementation

Trafotek takes an active approach to the application of this Code and promotes its implementation through the effective communication of its contents and principles to its employees. Trafotek monitors the application of this Code internally.

Suppliers and business partners are an important and integral part of the total value chain of the products and services of Trafotek. They are expected to conduct their businesses in compliance with the same high legal and ethical standards and business practices as Trafotek does. Trafotek promotes the application of this Code by monitoring the actions of its suppliers and business partners.

The application of the Code will be reviewed annually by the Trafotek Global Management Group, which may decide on its necessary revisions or interpretations.

Finland, Kaarina, 29.9.2014