



Code of Conduct



Our Employees



Health & Safety



Focus Integrity



Business Integrity



In the Community



Guidance & Reporting

Code of **Conduct**



Dear Colleagues

We are pleased to introduce our newly created Code of Conduct to ensure all our employees and other stakeholders are aware of the values they can expect from XP Power and what is expected from them. The long-term success of XP Power depends upon our ability to maintain our reputation and the trust of our stakeholders wherever we operate. The Board and I are firmly committed to the highest ethical standards.

You are expected to use your judgement to promote good practice in accordance with our commitment to high standards of integrity and avoid any malpractice. Anyone found in breach of our Code of Conduct may be liable to disciplinary action up to and including termination of employment. At any stage should you feel the Code's principles have been compromised you should challenge this behaviour or report your concerns using the appropriate channels. Details on how to report any concerns can be found on page 19.

The Board and I give you a clear assurance that any employee raising a concern in good faith either about the Code or any business matter will not suffer from any form of retaliation.

This document does not form part of any employee's contract of employment and the Company may revise it from time to time.

Please take the time to read and understand the Code and commit to applying it in all your business activities and actions.

Duncan Penny

Chief Executive Officer

XP Power

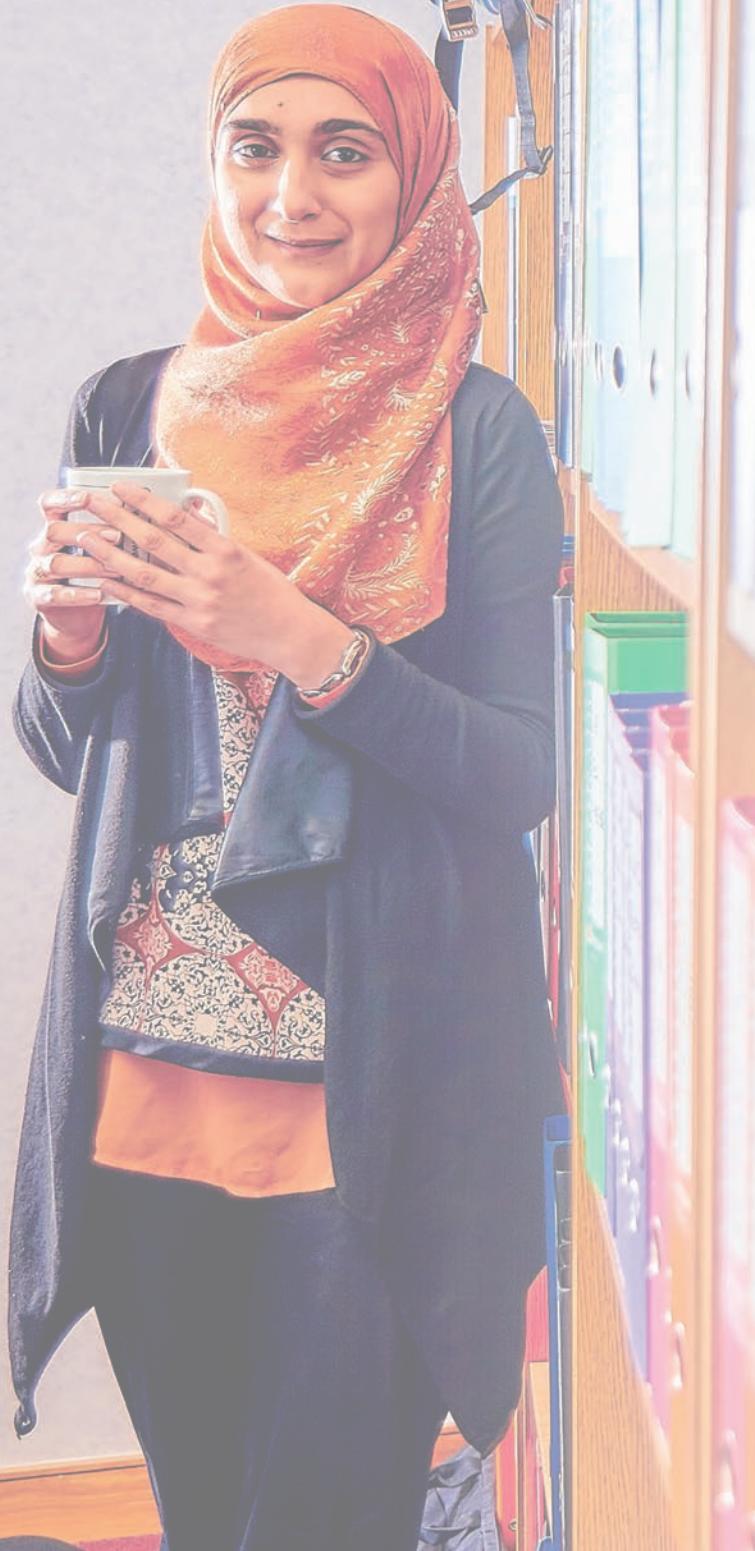
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About the Code of Conduct

Our values drive all our business decisions and is underpinned by our Code which sets out how we will conduct our business operations.

Who the Code applies to

The Code applies to all of our employees, contractors and sub-contractors working in all of our businesses. We expect our customers, suppliers, distributors and agents and all other stakeholders we interact with to either abide with it or to operate to similar standards.

There are additional responsibilities for employees who manage or supervise others to ensure:

- The Code is supplied to, understood by and adhered to at every level, including employees they manage, contractors, suppliers and other stakeholders
- Their behavior sets an example of the right behaviours as outlined in the Code
- Guidance and questions asked by employees they manage or supervise are answered correctly

We will not criticise or penalise employees for any loss of business resulting from compliance with our Code or those who report concerns in good faith, even if on closer investigation these turn out to be false. However, infringements are taken very seriously and employees who fail to abide by our Code may face disciplinary action, including up to dismissal.

Guidance on how to deal with ethical situations and to report breaches of the Code can be found on page 19.

Our core values



Our vision

**“ The first choice power solutions provider
delivering the ultimate experience
for our customers and our people ”**



Our Employees

We are committed to fair treatment of our employees. Our goal is to pay competitively and reward exceptional performance. We will invest in your personal growth with appropriate training and will aim to offer stable employment in the communities where we operate.

We recognise that a work life balance is important and some businesses offer flexible working arrangements to allow employees to balance their work with their other priorities.

In accordance with our commitment to the Universal Declaration of Human Rights, we support and respect internationally recognised labour rights, including freedom of association, the avoidance of discrimination, the abolition of forced and child labour and anti-slavery legislation. We do not support forced and child labour and we expect the same commitment from our stakeholders.

We comply with both the letter and the spirit of local and international laws and regulations. If you are unsure whether an action is illegal, then you are encouraged to seek guidance from the CEO, CFO or VP Global Human Resources. We recognise the security concerns of the countries in which we operate and respect all export and trade restrictions.

Conduct

Your behaviour at work should be respectful to all. You should not engage in conduct that may be perceived as offensive, objectionable, harassing or disrespectful to others. Bullying, abusive behaviour, sexual harassment, or discrimination against race, gender, ethnicity, sexual orientation, disability, age, marital status, pregnancy or religion is unacceptable behaviour and will lead to disciplinary action.

Diversity

We are committed to equality of opportunity in all of our employment practices, procedures and policies. When we hire someone, we choose the best candidate irrespective of age, race, national origin, disability, religion, gender, gender reassignment, sexual preference, marital status or membership/non-membership of any trade unions. We apply the same standards when selecting business partners.

We operate globally and recognise the cultural differences that may exist in the countries in which we do business. We recognise that a truly diverse workforce reflects our markets and will help us succeed in those markets. We will not tolerate any form of discrimination.

Modern slavery and human trafficking

We are committed to ensuring that slavery and human trafficking does not exist in either our business operations or supply chain. We will promptly and thoroughly investigate any allegations of slavery or human trafficking in our organisation or in our supply chain and will terminate our relationship with any party where any such reports are substantiated.

Our policy statement on Modern Slavery and Human Trafficking is available on our website at www.xppower.com.

Health & Safety



No admittance
Authorised
personnel only

This policy sets out our arrangements for ensuring the Company meets its health and safety obligations to staff and anyone visiting the Company's premises or affected by its work.

The CEO has overall responsibility for health and safety and the operation of this policy.

This policy does not form part of any Employee's contract of employment and the Company may amend it at any time. The Company will continue to review this policy to ensure it is achieving its aims.

Employees' responsibilities

All staff share responsibility for achieving safe working conditions. Employees must take care of their own health and safety and that of others, observe applicable safety rules and follow instructions for the safe use of equipment.

Employees should report any health and safety concerns immediately to their line manager.

Employees must co-operate with managers on health and safety matters, including the investigation of any incident.

Failure to comply with this policy may be treated as misconduct and dealt with under the Company's Disciplinary Procedure.

Information and consultation

The Company will inform and consult your volunteer workplace safety representatives regarding health and safety matters.

Training

The Company will ensure that Employees are given adequate training and supervision to perform their work competently and safely.

Staff will be given a health and safety induction and provided with appropriate safety training, including but without limitation manual handling.

Equipment

Employees must use equipment in accordance with any instructions given to them. Any equipment fault or damage must immediately be reported to the Employee's line manager. Employees are not to attempt to repair equipment unless trained to do so.

Accidents and first aid

Details of first aid facilities and the names of trained first aiders are displayed on the notice boards, or communicated through your manager and Human Resources.

All accidents and injuries at work, however minor, should be reported to a first aider and recorded in the Accident Book which is kept with the primary first aider.

Fire safety

All staff should familiarise themselves with the fire safety instructions, which are displayed on notice boards and near fire exits in the workplace.

If Employees hear a fire alarm, they are to leave the building immediately by the nearest fire exit and go to the fire assembly point.

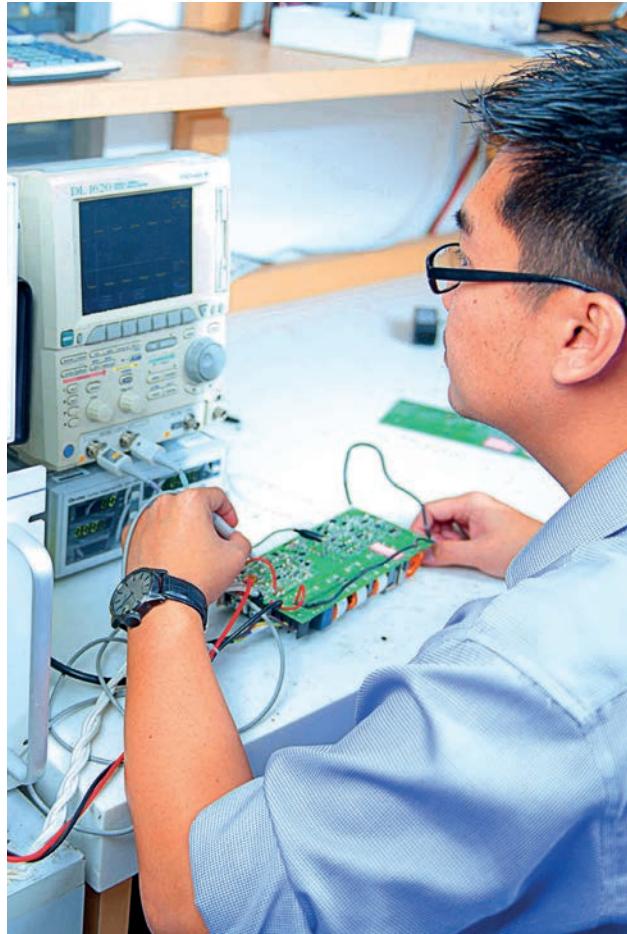
Fire drills will be held at least every 6 months and must be taken seriously. The Company also carries out regular fire risk assessments and regular checks of fire extinguishers, fire alarms, escape routes and emergency lighting.

Risk assessments and measures to control risk

The Company carries out general workplace risk assessments periodically. The purpose is to assess the risks to health and safety of employees, visitors and other third parties as a result of our activities, and to identify any measures that need to be taken to control those risks.

Computers and display screen equipment

If an employee uses a computer screen or other display screen equipment (DSE) as a significant part of its work, Employees are entitled to a workstation assessment and regular eyesight tests by an optician at the Company's expense.



Business Integrity



Anti-Corruption and Bribery Policy

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery.

The Company will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates.

The purpose of this policy is to:

- set out the Company's responsibilities, and of those working for the Company, in observing and upholding our position on bribery and corruption; and
- provide information and guidance to those working for the Company on how to recognise and deal with bribery and corruption issues.

Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if the Company is found to have taken part in corruption it could face an unlimited fine, be excluded from tendering for public contracts and face damage to its reputation. The Company therefore takes its legal responsibilities very seriously.

In this policy, "third party" means any individual or organisation the worker comes into contact with during the course of his/her work for the Company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Who is covered by the policy?

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency workers, volunteers, interns, agents, sponsors, or any other person associated with XP Power, or any of our subsidiaries or their employees, wherever located (collectively referred to as "workers" in this policy).



What is bribery?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples

Offering a bribe

A worker offers a potential client tickets to a major sporting event, but only if they agree to do business with the Company.

This would be an offence as the worker is making the offer to gain a commercial and contractual advantage. The Company may also be found to have committed an offence because the offer has been made to obtain business for it. It may also be an offence for the potential client to accept the worker's offer.

Receiving a bribe

A supplier gives a worker's nephew a job, but makes it clear that in return they expect the worker to use his/her influence in the Company to ensure it continues to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for the worker to accept the offer as the worker would be doing so to gain a personal advantage.

Bribing a foreign or local official

The worker arranges for the Company to pay an additional payment to a foreign or local official to speed up an administrative process, such as clearing goods through customs.

The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for the Company. The Company may also be found to have committed an offence.



Gifts and hospitality

This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. Acceptance of hospitality should be agreed in advance by your Line Manager and Director.

The giving or receipt of gifts is not prohibited, if the following requirements are met:

- a) the worker immediately discloses the gift, however small, to his/her Line Manager on receipt (if it is a gift received from a third party) or before it is given (if it is a gift the worker intends to give to a third party) in accordance with the Company's policy on Gratuities and Entertainment;
- b) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- c) it complies with local law;
- d) it is given in the Company's name, not in the worker's name;
- e) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- f) it is appropriate in the circumstances, for example, small gifts at Christmas time;
- g) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- h) it is given openly, not secretly; and
- i) gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties.

What is not acceptable?

It is not acceptable for a worker (or someone on the worker's behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- accept payment from a third party that the worker knows or suspects is offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if the worker knows or suspects that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.



Facilitation payments and kickbacks

The Company does not make, and will not accept, facilitation payments or "kickbacks" of any kind.

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions in which the Company operates.

If a worker is asked to make a payment on the Company's behalf, the worker should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. The worker should always ask for a receipt which details the reason for the payment. If the worker has any suspicions, concerns or queries regarding a payment, the worker should raise these with his/her Line Manager.

Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by the Company.

Donations

The Company does not make contributions to political parties. The Company only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of a main Board director.

The worker's responsibilities

The worker must ensure that he/she has read, understands and complies with this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Company or under its control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

The worker must notify his/her Line Manager as soon as possible if the worker believes or suspects that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers the worker something to gain a business advantage with the Company, or indicates to the worker that a gift or payment is required to secure their business.

Any worker who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. The Company reserves its right to terminate its contractual relationship with other workers if they breach this policy.

Record-keeping

The Company must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

The worker must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

The worker must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

How to raise a concern

Workers are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If a worker is unsure whether a particular act constitutes bribery or corruption, or if a worker has any other queries, these should be raised with his/her Line Manager. Concerns should be reported by following the procedure set out in our Whistleblowing Policy.

What should a worker do if he/she is a victim of bribery or corruption?

It is important that a worker tells his/her Line Manager as soon as possible if the worker is offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that he/she is a victim of another form of unlawful activity.

Protection

Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

The Company is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If a worker believes that he/she has suffered any such treatment, the worker should inform his/her Line Manager immediately. If the matter is not remedied, and the worker is an Employee, the Employee should raise the matter formally using the Company's Grievance Procedure, which can be found in the Employee Handbook.

Training and communication

Training on this policy forms part of the induction process for all new workers. All existing workers will receive relevant training on how to implement and adhere to this policy.

The Company's zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Who is responsible for the policy?

The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate training on it.

Monitoring and review

The company will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible

All employees are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Employees are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to their Line Manager.

Special considerations for government officials

Special care should be taken when dealing with government officials, both because their own regulations are often particularly tight, and bribing or corrupting a government official is a serious criminal offence. You may not offer gifts or entertainment to government officials or their families either directly or through an agent without the prior approval of the CEO or CFO.





All gifts given to employees should be documented by the employing Company with clear details including the giver, recipient, date, summary of the gift, indicative value and approval process followed. If in any doubt the matter should be referred to the CFO or CEO.

Question: Can I take a customer out for a business lunch?

Answer: Yes. This is reasonable hospitality as long as it is not excessive and does not happen regularly. Reasonable is subjective and each case must be assessed individually.

Question: Is it acceptable to ask suppliers for a gift of tickets to a sports event?

Answer: No, this would place you in a compromised position.

Question: What should I do if I am invited to a corporate hospitality event with a high value (e.g. \$5,000), involving travel, overnight accommodation and my partner?

Answer: It may be that such an event has a clear business purpose. You should discuss the detail with your line manager before accepting the invitation and only if approved should you accept it.

Fair competition

We compete fairly and honestly, observing all applicable anti-trust and competition laws. We must:

- Never exchange commercially sensitive information (including prices, production details, sales volumes, market shares, strategy or costs) with competing companies
- Never seek to gain information about competitors using underhand means
- Never engage in restrictive or collusive trade practices or abuse our market position
- Refrain from engaging in unfair competition, including false or misleading comments or claims about XP Power, our competitors or products.

If you are unsure about competition laws and have concerns then you must raise them with the CEO or CFO.

Question: A competitor at a trade show suggests a meeting to discuss markets and pricing. Should I attend?

Answer: No. Such discussions would potentially constitute a breach of anti-trust/competition law with significant penalties.

Question: Can I discuss the tender process for a contract with a competitor?

Answer: No. This is anti-competitive behaviour

Books and records

We maintain accurate books and records that reflect all our business transactions as they occur, and keep them for as long as legally required. We never destroy records in an attempt to prevent investigations or disclosure.

Taxation – corporate tax evasion

Tax evasion is the illegal non-payment or underpayment of taxes, usually resulting from the making of a false declaration or no declaration at all of taxes due to the relevant tax authorities. Tax evasion constitutes criminal conduct and can have severe penalties, both for the individual responsible and XP Power.

Common offences of tax evasion include:

- Evasion of income tax – for example making payments "cash in hand"
- Evasion of VAT – for example requesting payment without issuing a proper invoice
- Providing false documents or information to tax authorities
- Evasion of excise duty on imported goods – for example by not declaring goods which have arrived in a country from overseas

You must always follow XP Power policy in relation to agreements with customers and suppliers, and the issue of invoices and processing of payments. If you are ever in doubt about whether something you have been asked to do relating to taxation (by a colleague or a third party) is appropriate then seek advice from the CFO or local financial controller.

Question: Is making a payment in cash considered tax evasion?

Answer: Payment in cash on its own is not tax evasion. However if you have been asked to do this by a supplier, who is also reluctant or refuses to issue a valid invoice or provide relevant paperwork, then you may be facilitating tax evasion by supporting the supplier in not declaring all of their income.

Confidentiality and privacy

Confidential and corporate information including personal data of employees, customers, suppliers and shareholders should only be used for its proper business purpose and in strict performance of employment, abiding by confidentiality and data protection laws. Confidential information must be kept securely and under no circumstances used for anything other than its proper purpose. The control of personal data is a serious issue with significant penalties for companies that fail to control confidential data securely.

Confidential information is information that is not, or not yet, public information and includes but is not limited to trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, customer lists, employees' details, bank accounts, tax codes and non-published financial or other data.

XP Power respects the privacy of its employees and will only take an interest in what employees do outside of work if it affects XP Power's reputation or legitimate business interests. We only use employees' and other third parties' personal information when needed to operate effectively or to comply with the law.

Data protection

XP Power and its employees will only collect and retain personal data for legitimate business purposes. Personal data is any information related to an identifiable individual that can be used to directly or indirectly identify the person. The privacy of personal data relating to employees, customers and suppliers is to be respected. Personal data should be kept securely both in hard copy and electronic form. Examples of personal data include:- names, addresses, dates of birth, national insurance/social security number, passport details, bank details etc. Failure to comply with local data protection laws carries with it significant penalties. XP Power has adopted a Group Data Processing Agreement which sets out the terms under which we will process data relating to employees, contractors, customers, suppliers and other third parties.

Question: I have a file which contains personal details of employees including names, address details, dates of birth, tax reference numbers, pay details, bank account details, passport numbers and details of family members. How should this be recorded?

Answer: Such information is personal data and is highly sensitive. The record should be clearly marked as confidential and must be password protected and securely held if in physical format. The data should only be used for its proper business purpose and must not be shared with anyone else unless clearly authorised to be shared and for a genuine business purpose. When the data is no longer required it should be destroyed.

Intellectual property

Our intellectual property is an important corporate asset underpinning the value of XP Power.

Through the use of trademarks, patents and copyright we aim to protect our ideas, differentiate our products from our competitors and add value to the underlying goods and services. They identify our products and services as being different, setting an expectation of high quality and allowing us legal exclusivity in the countries in which they have been registered.

We respect the patents, copyrights, trademarks and proprietary information of third parties. We do not abuse other parties' intellectual property.

Question: I am launching a new XP Power product and propose to market it using the copyright of a third party. Do I need their consent?

Answer: Yes. We respect the intellectual property of all third parties as we expect others to respect our own intellectual property. Failure to seek their consent will likely result in action being brought against XP Power for infringement of that intellectual property.

Personal conflicts of interest

A conflict of interest happens when the personal interests of an employee compete with the interests of XP Power. Personal conflicts of interest should be avoided. Personal interests can include those of your family, including your spouse, children, parents or siblings, or companies in which you hold a controlling interest.

We do not engage in activities that compete with XP Power's business, either directly or indirectly, or use knowledge gained while working for XP Power to help anyone else compete with it. Similarly, we do not do business on behalf of XP Power with a company from which we or a family member or another connected person may benefit. We do not have personal interests (either individually or through family) in companies that compete with or do business with XP Power unless we have agreed this with senior management in advance, although we can of course own shares in publicly-traded companies.

Conflicts of interest do arise on occasion and in such a circumstance the conflict of interest that does or could arise should be openly discussed with the CEO, CFO or Human Resources. Failure to disclose a conflict of interest is a serious issue and should be avoided.

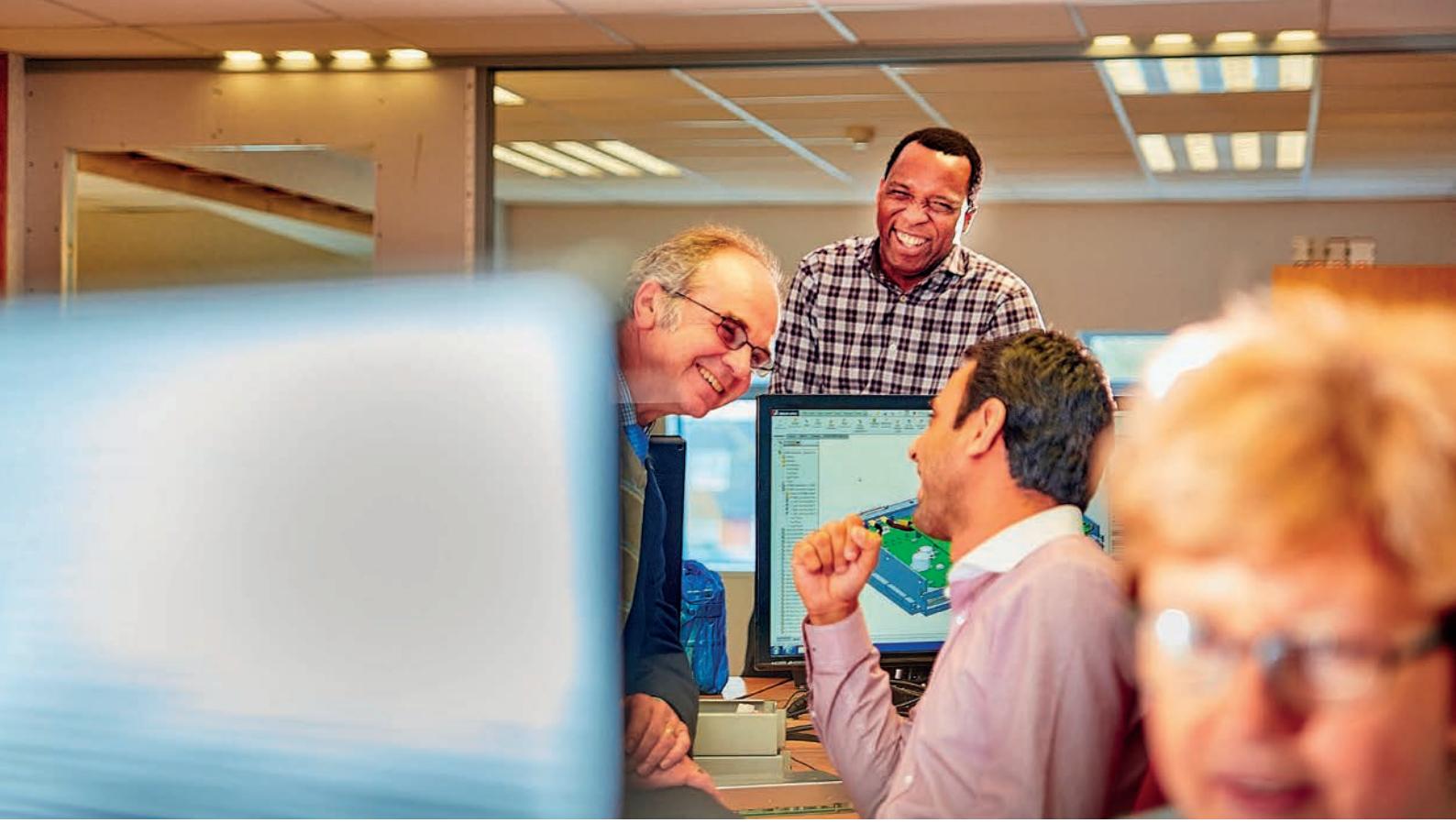
Question: I am about to award a contract for cleaning services of XP Power's office to a company that is owned by my brother-in-law. Do I need to seek clearance?

Answer: Yes. Your brother-in-law is connected to you and this is a potential conflict of interest. In advance of awarding the contract at a minimum you should seek clearance of the contract with your line manager providing full disclosure. Only if your line manager is satisfied the award of the contract is in the best interests of XP Power should it be given.

Question: Upon joining XP Power I have retained a business interest in another company that operates in the power supply market. Is that a conflict I should declare and what should I do?

Answer: Yes. This is a conflict of interest that should be immediately declared to XP Power and discussed with the CEO, CFO or Human Resources. Having disclosed the interest, appropriate steps can be put in place to manage that interest.





Inside information and share dealing

XP Power is a listed company on the London Stock Exchange and XP Power and our employees must comply with the relevant securities laws.

As an employee you must NOT use inside information to trade in XP Power's shares. Similarly if you become aware through your role of inside information about another company (potentially an acquisition or merger) you must not use that inside information for trading in that company's shares.

Inside information is information that is confidential within XP Power, is precise in nature, not generally available and could have a significant effect on our share price if it becomes public. Inside information could be the detail of our financial results, trading updates, acquisitions or disposals of businesses or material commercial developments.

To use inside information for dealing in our shares or encouraging others to do so is market abuse and a criminal offence.

Inside information and the risk of insider trading applies to you as an employee and those connected to you, be it your spouse, children, family relatives living in the same house, or a business in which you have a controlling interest.

Directors and senior employees who have been formally notified by the CEO or CFO are subject to our Share Dealing Rules which place further restrictions upon these individuals in terms of dealing in our shares.

If you are at all unsure whether you are in possession of inside information and whether this impacts you in terms of dealing in XP Power's shares or other listed securities, then you should contact the CFO before trading.

Question: I become aware that XP Power is about to buy another company listed on the London Stock Exchange. Can my parents buy shares in that London listed company?

Answer: No. Your parents are clearly connected with you and the information that they are basing their investment decision on is inside information, which constitutes market abuse.

Question: Can I tell my friend about XP Power's financial performance ahead of publication of the full year results?

Answer: No. This is inside information and a breach of your duty to XP Power and is market abuse.

Use of XP Power property

You should treat XP Power's property as if it was your own, but remember that it is not. It should not be used for personal purposes unless previously authorised and should be kept secure and in good working order.

XP Power-issued devices, mail services and internet services must be used for their proper commercial purpose and not for personal benefit. Upon leaving XP Power, an employee must return all XP Power property to XP Power including laptops, mobile phones, credit cards, work files and records.

Question: Can I use the Company's delivery van for my personal use at the weekend to transport my children's belongings to university?

Answer: No – this is a personal matter and XP Power property should not be used for this purpose. If the vehicle is involved in an accident then the Company is liable for the use of the vehicle.

Electronic communication

Both you, and XP Power, are legally responsible for any electronic communication, including written e-mails, and any internet misuse. Electronic communication is legally binding.

The following is an indicative (and not exhaustive) list of conduct that may result in disciplinary proceedings. We may inform the appropriate authorities if, for instance, there has been a criminal offence or breach of data protection legislation or we believe an offence may be likely to be committed.

Electronic media may not be used for knowingly viewing, transmitting or storing any communications or information that:

- Is of a discriminatory or harassing nature
- Is derogatory to any individual or group or otherwise could bring XP Power or its employees into disrepute
- Is obscene or X-rated, or which pose a risk to XP Power that may be regarded as such and, in particular, pornographic material must not be received, stored or distributed either internally or externally
- Is of a defamatory or threatening nature
- Is a "chain letter" or junk or spam e-mail
- An employee knowingly or recklessly obtains or discloses to another person that contains personal data without the consent of your local Human Resources manager.

Social media

As employees, when we talk about our work or if we are identified as representing XP Power, it is easy for a reader of a Facebook page, a Twitter tweet, your LinkedIn profile or an email, to identify what is being said as being XP Power's opinion.

You must be aware that you are personally responsible for what you publish online in your work capacity – whether that be Twitter, Facebook, LinkedIn, Glassdoor or any other social media forum. You are legally accountable for what you put online and it will be public for a long time, so you should protect your privacy and the privacy and interests of XP Power and your fellow employees.

- You should identify yourself (your name and if appropriate your role within XP Power) when you discuss XP Power related matters. Write in the first person ("I" not "We") and you must make it clear that you are speaking for yourself and not on behalf of XP Power. It must be made clear at all times that you are expressing your personal opinion.
- If you put any content onto any website and that content has something to do with the work you do or any subjects associated with XP Power, you are required to use a disclaimer such as: "The postings on this site are my own and do not necessarily represent the positions, strategies or opinions of XP Power."
- Copyright, trademark, fair use and financial disclosure laws apply to you as much as they apply to XP Power.
- Do not abuse anyone's confidential or other proprietary information.
- Do not cite or reference our clients, partners or suppliers without their specific prior written approval. When you do make a reference, where possible link back to the source.
- When using social media and representing yourself as connected with XP Power, you should ensure that you present yourself in a professional manner and that XP Power's reputation is not damaged in any way.

When posting, tweeting or commenting on any work related activity, the following is acceptable:

- Factual statements about our products or the use of them
- Opinion statements about our products that clearly states who the author is.

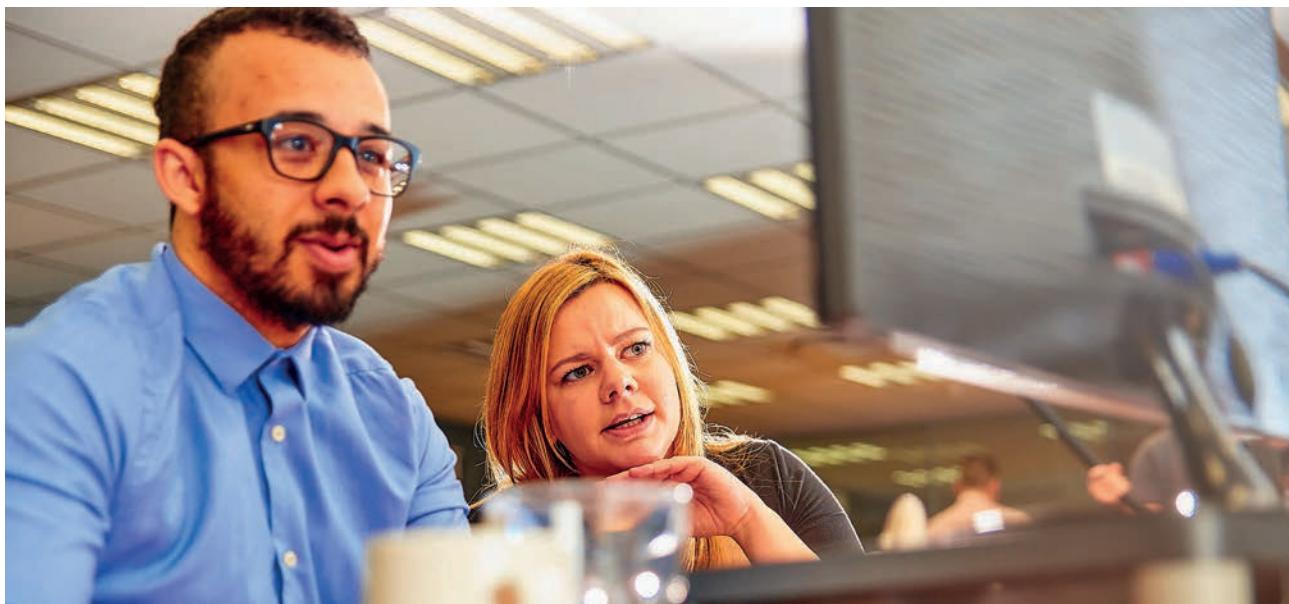
These are not acceptable:

- Opinion statements reflecting on any other competitor product or competitor
- Statements that imply or infer endorsement
- Statements comparing operational capabilities of a XP Power product verses a competing product
- Statements quoting or paraphrasing anyone, without a specific written agreement from them verifying the quote and its publication
- Statements denigrating any other products, people or company
- Offensive or defamatory statements
- Statements that mention any sensitive information about XP Power
- Commercially sensitive statements without explicit prior approval from the CEO or CFO about our current or future performance, financial information or share price performance

You must be aware that any statements made via social media have the potential to be libellous and are subject to the same legal restrictions as other forms of media. Always use your judgement. If in doubt, ask yourself if you would issue the same statement on XP Power letterhead?

Question: My manager really annoyed me today and I want to update my personal Facebook status to tell my friends that my manager is an idiot. It will make me feel better. Should I do this?

Answer: No you should not. Any statements made on social media, even if they are on your personal Facebook or other social media page, have the potential to be libellous or maliciously false and should not be published on such a public platform.



Expenses

From time to time you may incur expenses as part of your job. If an expense claim is made it must be reasonable and submitted in a timely manner with documentary evidence.

Speak to your line manager for specific guidelines about expenses in your business.

Question: I have incurred expenses on a business trip but have no receipts. Is this acceptable?

Answer: No. You must have the right documents as evidence of expenses incurred. You should remember to keep receipts for all expenses you incur on any business trip. All expenses claims should be submitted promptly.

Question: Is it acceptable to use my Company credit card to purchase personal shopping with the intention to reimburse the Company?

Answer: No – whilst there is an intention to reimburse the Company it is an unnecessary risk and the Company's credit cards should not be used for personal matters.

Business partners

We work with a broad range of business partners including agents, representatives, consultants, subcontractors, customers and suppliers. We are committed to the principles of fairness and excellence in our dealings with all of them, and expect the same commitment in return.

All business partners must follow ethical principles that are consistent with our own, including our anti-bribery policy and our commitment to fair labour conditions.

Where problems arise, we will in the first instance use our influence to seek corrective action. Where this proves impossible, we reserve the right to withdraw from the business relationship.

We abide with all economic sanctions. If you are involved with a transaction that potentially involves a sanctioned country, entity or person, you must ensure that due diligence is carried out in advance of entering into the transaction. Trade sanctions are complex and constantly changing and advice should be sought in advance from the CEO or CFO.

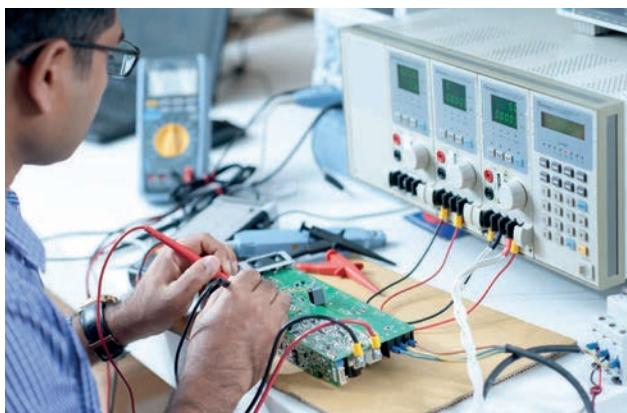
Question: I am negotiating with a potential new customer based in a Middle East country but the new customer is not clear about where they are based – what background checks should be conducted?

Answer: Several Middle East countries are currently subject to stringent financial sanctions under US, UK and EU law. Failure to carry out detailed background checks could leave XP Power and its employees open to severe penalties if breaching sanctions.

Agents, representatives and sub-contractors

We select agents, representatives and sub-contractors on the basis of their professional expertise and not on account of personal contacts.

All agents and distributors must be appointed with written agreements setting out the services to be rendered, structure of fees to be paid and to include an express prohibition on bribery and compliance with this Code. They should also clearly set out the right to terminate the agreement with immediate effect following non-compliant behaviour. The fees and commissions agreed will be appropriate and justifiable remuneration for legitimate services rendered.



Our suppliers

We aim to develop long-term relationships with our suppliers and expect them to make a fair return on the investments they have made in doing business with us. We select them on the basis of objective criteria such as quality, delivery, performance and price, and in return we ensure our relationship with them and their compensation is fair.

We expect our suppliers to abide by standards compatible with this Code and that of the Responsible Business Alliance. XP Power has a duty to ensure that its supply chain is not subject to any reputational risk issues including slavery and human trafficking.

Selection and due diligence

When establishing new business relationships, you must take into account the potential partners' past record and current ethical standing.

If the potential partner is new to XP Power, or lacks an established market record, we will need to assess whether to conduct a formal due diligence review.

This may involve establishing:

- Background and professional and financial history
- If the market in which the potential partner operates is considered high risk in terms of reputation and corruption
- Business interests, shareholdings, management positions
- Possible connections to public officials and other political figures
- Business reputation – does the partner have questionable business practices such as late payment or failure to pay suppliers
- Involvement in any controversial issues – potentially including employment or health & safety issues
- Appearance on international sanctions lists

Ensure commitment to our Code

You must ensure that any agent, sub-contractor or high-risk and/or major supplier has a copy of our Code and agrees to abide by it, or to provide evidence of their own standard that is compatible with our own.

The contractual agreement should clearly define the scope of work, fees and include appropriate clauses addressing integrity issues.

In the case of commercial agents, these clauses should include an obligation to provide XP Power with regular, detailed reports on the activities they complete on our behalf during the contract period. They should also clearly set out the right to terminate the agreement with immediate effect following non-compliant behaviour.

Approval and sign-off

All agency, sub-contractor and supplier arrangements must be approved by a senior manager other than the XP Power employee responsible for managing the business relationship.

Monitoring and review

Once the agreement has been signed, you must continue to monitor our relationship with the business partner concerned in order to ensure that they comply with our requirements for ethical business conduct at all times.

If you discover or suspect malpractice involving a business partner, you must report it to the CEO or CFO.



In the Community



Environmental Policy

XP Power is committed to be the world leader in our industry by reducing its impact on the environment. We will strive to improve our environmental performance by:

- As a minimum complying with all relevant environmental legislation and regulations as they relate to each location and community in which we operate.
- Employ best practices to maximize the efficient use of resources to minimize waste and prevent pollution.
- Develop a leadership team with a focus on promoting an environment of continuous improvement and risk mitigation through identifying objectives and setting measurable goals.
- Consider and respond to environmental issues through all phases of our product life-cycle.
- By communicating our environmental policy and objectives to our suppliers and employees and encourage their participation in environmental best practices

Political donations

We do not make donations to political parties in any country or to any cause that might bring any part of XP Power into disrepute. This includes gifts, subscriptions, loans or other benefits in kind to political parties.

Public representation

If you are publicly representing XP Power, you should do so with the same level of integrity that you display at work. Only nominated, authorised spokespeople can communicate on behalf of XP Power with our stakeholders, including the media, about XP Power or its subsidiary companies, our products and services, financial performance and expectations.

As an individual you are free to communicate with these stakeholders but you cannot comment, or give the assumption that your views are that of XP Power. If in doubt, speak with your CEO or CFO.

Charitable donations and sponsorships

As part of our corporate citizenship activities, we may donate time and money to a variety of local and international charities. Our charitable donations and sponsorships should be seen as open and voluntary contributions for the benefit of the communities in which we operate, without any expectation of a commercial or personal return.

We apply the same standards of professionalism in our charitable donations as we do with our business partnerships. We only provide donations to organisations that serve a legitimate public purpose, and are themselves subject to high standards of transparency and accountability.

Donations should be transparent and properly documented with a summary of the rationale for the donation, details of the parties involved (including due diligence on the charity), the amount and/or a description of the donation made. Any donations must not be subject to any conflict of interest.

Question: I have been asked to make a charitable donation on behalf of XP Power to a charity run by a family friend. Can I do so?

Answer: No. This is a potential conflict of interest. The charity should be advised to approach XP Power independently rather than informally through your friendship

Guidance & Reporting



Guidance & Reporting Breaches or Concerns - 'Whistleblowing'

Introduction

Open reporting is to be encouraged and Employees should be comfortable in bringing any concerns forward in the secure knowledge that they will be taken seriously and there will be no adverse repercussions where they have acted in good faith. It is important to the Company that any fraud, misconduct or wrongdoing by workers is reported and properly dealt with. It is the responsibility of all Employees to raise any concerns they might have about malpractice within the workplace. The Company therefore encourages all Employees to raise any concerns that they may have about the conduct of others in the business or the way in which the business is run. This Policy sets out the way in which Employees may raise their concerns and how those concerns will be dealt with by the Company. If an investigation under this Policy concludes that a disclosure has been made maliciously, vexatiously, in bad faith or with a view to personal gain, the Whistle Blower will be subject to disciplinary action. Covering up someone else's wrongdoing is a disciplinary offence. An Employee should never agree to remain silent about a wrongdoing, even if told to do so by a person in authority such as a Manager. They should report the matter to the chairman of the audit committee using the email whistleblowing@xppower.com who is an independent non-executive director on XP Power's.

What is Whistleblowing?

A Whistleblower is someone who discloses information to their Employer or to the relevant authorities which relates to some danger, fraud or other illegal or unethical conduct in the workplace.

The Company recognises that Whistleblowing occurs and it protects Employees who are Whistleblowers from suffering detrimental treatment or from being unfairly dismissed as a result. Anyone who does not act in good faith will not be protected.

Employees who raise legitimate concerns about specified matters will be protected under this policy. The specified matters are called "qualifying disclosures". A qualifying disclosure is one made in good faith by an Employee who has a reasonable belief that:

- A criminal offence has been committed, is being committed, or is likely to be committed.
- A person has failed, is failing, or is likely to fail to comply with a legal obligation.
- A miscarriage of justice has occurred, is occurring, or is likely to occur.
- The health and safety of any individual has been, is being or is likely to be endangered.
- The environment has been, is being or is likely to be damaged.

Information tending to show any matter falling within any one of the above categories has been, is being or is likely to be deliberately concealed.

Disclosure Procedure

In the event of an Employee wishing to make a qualifying disclosure, he or she should follow the steps below:

In the first instance, report the situation to his or her Line Manager. If the Employee does not wish to speak to their Line Manager, they can instead speak to an alternative Line Manager or Human Resources or by emailing the chairman of the audit committee at whistleblowing@xppower.com who is an independent non-executive director on XP Power's board of directors. Such disclosures should be made promptly so that investigation may proceed and any action taken expeditiously.

All qualifying disclosures will be treated seriously. The disclosure will be promptly and fairly investigated and, as part of the investigatory process, the Employee will be interviewed and asked to provide a written witness statement setting out the nature and details of the disclosure and the basis for it. Confidentiality will be maintained during the investigatory process to the extent that this is practical and appropriate in the circumstances. However, in order to effectively investigate a disclosure, the Company must be able to determine the scope of the investigation and the individuals who should be informed of or interviewed about the disclosure. If it becomes necessary to disclose the Employee's identity, the Company will make efforts to inform them that their identity is likely to be disclosed. In order not to jeopardise the investigation, the Employee is also expected to keep the fact that they have raised a concern, the nature of the concern and the identity of those involved confidential. The length and scope of the investigation will depend on the subject matter of the disclosure. The Company reserves the right to arrange for another Line Manager to conduct the investigation other than the Line Manager with whom the Employee raised the matter. In addition, an investigative team with experience of operating workplace procedures or specialist knowledge of the subject matter of the disclosure may be appointed. It is not normally appropriate to set a specific timeframe

for completion of investigations in advance, because the diverse nature of disclosures makes this unworkable.

The Company will invite the Employee to attend at least one meeting at a reasonable time and place at which his or her disclosure can be discussed and the Employee must take all reasonable steps to attend that meeting. The Employee has the right to be accompanied at that meeting by a fellow Employee of their choice.

Once the investigation has been completed and after the meeting with the Employee has taken place, the Employee will be informed in writing of the outcome and the Company's conclusions and decision in a timely manner. However, the need for confidentiality may prevent the Company from giving the Employee specific details of the investigation or actions taken. The Employee will also be notified in writing of his or her right to appeal against the Company's decision if he or she is not satisfied with it. The Company is committed to taking appropriate action with respect to all qualifying disclosures which are upheld.

If the Employee wishes to appeal against the Company's decision, he or she must appeal in writing to the chairman of the audit committee using the email whistleblowing@xppower.com or to a Director of the Company within five working days of the Company's decision. On receipt of such a request, a more Senior Manager or a Director (who may not be the person to whom the Employee addressed their appeal) shall make arrangements to hear the appeal at an appeal meeting and at that meeting the Employee may again, if they wish, be accompanied by either a fellow Employee of their choice. The Employee must take all reasonable steps to attend that meeting. Following the meeting, the relevant Senior Manager or Director will inform the Employee in writing of the Company's final decision on the Employee's appeal.





If you have any questions, contact one of the following:

Duncan Penny

CEO

Tel: +44 (0) 118 976 5086

dpenny@xppower.com

Gavin Griggs

CFO

Tel: +44 (0) 118 976 5154

ggriggs@xppower.com

Heather Murdock

VP Global Human Resources

Tel: + 1 (209) 267-9617

hmurdock@xppower.com

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