

Knowles Corporation
Code of Business Conduct and Ethics
Federal Supplement

Knowles Corporation, its segments, platforms, operating companies, and subsidiaries worldwide (collectively, “Knowles”) understand that our success depends on our reputation for ethical business performance. Every day, we are expected to perform our jobs honestly, diligently, and with integrity, in compliance with all applicable laws and regulations. To that end, all Knowles employees, agents, contractors, and directors (hereinafter collectively referenced as “Knowles employees”) who market or sell to or work on projects with the U.S. Government or interact with U.S. Government officials and employees are expected to read and comply with this Federal Supplement to Knowles Corporation’s Code of Business Conduct and Ethics (a copy of which may be found at www.knowles.com under the Governance section). This Federal Supplement is intended to provide clear guidelines for Knowles employees when selling to, performing work for, or interacting with U.S. government entities. A copy of the Federal Supplement may be found at www.knowles.ethicspoint.com and <http://ke-web.knowles.com>.

For purposes of this Federal Supplement, the term “Government” or “government” means the U.S. Government, its agencies and departments, and any state or local governmental agencies that may use a system like the U.S. Government’s procurement processes to contract for services or products. Examples of agencies and departments include but are not limited to the U.S. Department of Defense, the U.S. Army, the U.S. Department of Energy, the Social Security Administration, and the U.S. Environmental Protection Agency. “Knowles” means Knowles Corporation and Knowles operating companies, either collectively or individually.

This Federal Supplement is incorporated into the Knowles Code of Business Conduct and Ethics when a Knowles company is engaged in business with the U.S. Government, or with parties acting on behalf of the U.S. Government.

Knowles companies are dedicated to supporting our U.S. Government customers. Knowles companies will interact with government customers in an atmosphere of openness and under circumstances that could not be interpreted to imply unethical or improper behavior.

Knowles companies that contract with the U.S. Government face unique responsibilities beyond those presented by other areas of our business. It is essential that Knowles employees who interact with the U.S. Government understand the rules the U.S. Government has established for itself and its suppliers and service providers. Knowles employees must understand that government rules and ethical standards are often more stringent than those presented by or required in our relationship with our commercial customers.

The laws and regulations applicable to companies that do business with the U. S. Government are complex. This Federal Supplement is intended to facilitate the ability of Knowles employees to comply with the rules and ethical standards unique to working with the U.S. Government. If you have any question or doubt concerning the applicable rules or what may be considered ethical conduct under the circumstances, you must contact your local compliance officer, the Knowles Law Department or the Knowles Compliance Department for guidance. Contact information is provided on the Contacts page that appears at the end of this booklet.

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Restrictions on Bribes and Improper Gratuities

Knowles employees will conduct its business with government customers with integrity, fairness, and openness. All Knowles business transactions with the Government must be free from even the perception that favorable treatment was sought or received in exchange for any bribes or gifts. Knowles employees, and the company itself, may face serious sanctions if we fail to conduct our business with integrity.

Knowles employees will never offer bribes to government employees.

Knowles employees must never offer or give, either directly or indirectly (through an intermediary such as an agent), bribes or illegal gratuities to government employees. A bribe is something of value given with the intent to influence an official act, such as awarding a contract to a Knowles company. Knowles is committed to marketing our products and services solely on their merits and will strive to avoid even the appearance of trying to buy government business or curry favor.

Knowles will not provide improper gifts to government employees.

When dealing with government employees, practices that may be acceptable in a purely commercial setting may be unacceptable or even against the law.

Due in part to our status as a government contractor, government employees are prohibited from soliciting or accepting, directly or indirectly, any gift from Knowles. Knowles employees will not offer or provide gifts that, if accepted, would violate the government employee's ethical obligations. For purposes of this restriction, a "gift" is defined very broadly and includes anything of value, including any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, training, or other item of monetary value, whether provided in-kind or through reimbursement. Even free promotional training, such as demonstration of Knowles products and services, could be considered a gift, unless it was provided in connection with performing a current Knowles contract and was reasonable in nature.

The restriction on providing gifts to government employees extends to circumstances that one might not normally consider a "gift" or even a business courtesy. Some examples include providing free attendance to Knowles sponsored conferences or similar events and paying air fare for scheduled speakers. In some cases, Knowles may be able to provide the gift to the government agency or customers but not directly to the employee. Thus, you should seek guidance from your company's compliance officer, the Knowles Law Department or the Knowles Compliance Department when questions arise concerning whether the restriction on gifts to government employees applies to a specific situation.

This restriction on accepting gifts applies to all employees of the Government, including employees who only work part-time for the Government, and regardless of pay or leave status. It might not always be apparent who is a government employee, and thus, it is important to err on the side of caution and to consult your company's compliance officer, the Knowles Law Department or the Knowles Compliance Department for advice.

Knowles employees should operate under the assumption that any gift to a government employee is improper. However, there are certain limited exceptions to the gift restriction. So long as it does not otherwise raise outward concerns of a conflict of interest (addressed below), Knowles employees may provide nominal gifts. Examples of acceptable gifts include:

- anything with a fair market value of less than \$20.00,
- modest items of food or refreshment, such as coffee, soft drinks, or donuts in connection with a business meeting,

- items with little intrinsic value, such as greeting cards, certificates of appreciation, and trophies,
- items that Knowles offers to the public on an open basis and at no charge, or
- gifts provided based on personal or family relationships with the government employee that exist outside of the Knowles contractor relationship.

There are important limitations on even these nominal gifts. Knowles employees will never provide gifts of cash or investment instruments of any value. Knowles will not provide multiple gifts that, when aggregated, would total more than \$50 to a single government employee in one year. Knowles will not provide nominal gifts on a regular basis. For instance, employees may not deliver low value items to our government clients on a recurring basis that could create the appearance that Knowles is trying to improperly curry favor or create a conflict for the government employees.

The safe harbor for acceptable, nominal gifts is limited, and it is often difficult to determine if a gift is permissible. Therefore, you must consult your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department for approval before providing anything of value to a government employee, unless it fits squarely within one of the exceptions. If there is any doubt as to whether a gift might fall under an exception, you should refrain from offering even a nominal gift or else seek advance approval from your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.

General Restrictions on U.S. Government business interactions:

- Do not provide or offer to provide anything of value to a government employee in order to influence that employee’s official action.
- Do not provide anything of value to any government employee other than gifts (such as a promotional or marketing item) with a fair market value of less than \$20.00.
- Do not offer a gift of free attendance at a conference or other meeting (that charges an entry fee for general admission) without seeking and receiving prior written approval from your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.
- Do not offer a gift of free travel to a government employee without seeking and receiving prior written approval from your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.

For additional information, please see the Knowles Anti-Corruption Policy and the Knowles Code of Business Conduct and Ethics, which can be found at www.knowles.ethicspoint.com and <http://ke-web.knowles.com>.

Conflicts of Interest

Knowles employees must avoid exposing government employees to personal conflicts of interest.

Government employees are prohibited from engaging in any activity that constitutes a personal conflict of interest and are restricted from participating in matters that could undermine their impartiality. Knowles employees must endeavor to avoid any circumstances that could create the appearance that a government employee is violating the conflict of interest rules. Knowles employees will not put government employees in a situation in which their responsibilities to the Government (including their objectivity and judgment) are compromised by an outside transaction or relationship. Determining what circumstances constitute a prohibited conflict requires a case-specific consideration and often can prove difficult. If a Knowles employee is not sure whether a situation poses a potential conflict of interest, he or she must seek guidance from the company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.

Knowles employees must avoid putting Knowles in the position of an organizational conflict of interest.

The Government has organizational conflict of interest rules that are intended to prevent the existence of conflicting roles that might bias the contractor’s judgment or advice and to prevent unfair competitive advantages. For example, a contractor generally cannot draft specifications for the Government and then participate in the resulting competition. Also, a contractor generally cannot evaluate its own proposal in a competition or its own work during performance on behalf of the Government. Knowles will seek to take appropriate steps to recognize and avoid organizational conflicts. If a Knowles employee believes that there may be a conflict situation, he or she should seek advice from the company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.

Current and Former Government Employees

Knowles respects the obligations of current and former government employees. Knowles understands that individuals are free to move in and out of government service and that individuals with prior government experience can bring great value to Knowles. However, Knowles understands that restrictions limit our ability to conduct employment discussions with current government employees and that other restrictions limit the ability of former government employees to perform certain functions after leaving the Government.

Knowles follows all restrictions applicable to employment discussions with current government employees.

Employment discussions between Knowles employees and current government employees are subject to several strict limitations. The general focus of these restrictions is to avoid the appearance of a “conflict of interest.” Knowles employees must not negotiate employment with a government employee while that employee is participating in a matter involving Knowles. Given the complexities and risks in this area, you must consult with your company’s compliance officer and Human Resources Department prior to negotiating or entering into an employment relationship with current and former government employees.

A government employee who I worked with on an old government project is planning to retire. She would fit perfectly with our Knowles team. Can I ask her to work for Knowles when she retires?

No. Before you propose or offer anything to the Government employee, you must obtain approval from your company’s compliance officer and Human Resources Department. Additionally, Knowles will not be allowed to discuss potential employment with her until after she retires or until she disqualifies herself from further participation on matters involving Knowles.

Knowles follows all pre-approval requirements before hiring a government employee to perform consulting work.

Current government employees may be allowed to enter into consulting arrangements with Knowles. However, such relationships are subject to strict limitations and government pre-approval requirements. Before even discussing a potential consulting relationship with a government employee, you should seek prior approval from your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.

Knowles observes “revolving door” restrictions applicable to former government personnel.

Potential concerns do not end once Knowles hires a former government employee. Former government employees are subject to “revolving door” restrictions that place limits on their post-government activities. Of particular importance, former government employees are subject to a lifetime ban on appearing before any government

official on matters (like contracts) involving specific parties with which they were personally and substantially involved, as well as a two-year ban covering matters within their general area of official responsibility. Former senior government officials and employees responsible for procurements are subject to even stricter post-employment restrictions. These and other “revolving door” restrictions are complex.

Knowles employees, including former government personnel and those with whom they work, must coordinate with the company’s compliance officer and Human Resources Department to determine which activities former government personnel are restricted from supporting. Further, Knowles employees involved in employment discussions with current and former government employees are expected to know that certain limitations may apply to the activities the employee would be able to perform if he or she joined the company.

I formerly worked for a current government customer of Knowles and while there I served as a technical advisor overseeing decisions concerning one of Knowles’ contracts. Can I meet with employees of my former government agency to discuss potential modifications to the specifications of that contract? Can I participate in developing a proposal for new, future contracts with the government client?

*You may **not** meet with employees of the government client to discuss the contract with which you were closely involved during your time with the Government. However, you may work behind the scenes on most matters (so long as you do not reveal sensitive business or government information you learned while with the Government) and can help develop a proposal for future work so long as you do not sign it. For more assistance in determining any limitations on your involvement, you should contact your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.*

Seeking Government Work

Knowles competes fairly and follows the rules applicable to government competitions.

Competitions for government business are subject to additional restrictions over and above commercial competitions. While Knowles is involved in a government competition for a contract, we will not offer or discuss future employment or business opportunities with any government procurement officials or offer or give anything of value to those officials.

Knowles avoids even the appearance of anti-competitive practices, such as price fixing and bid rigging. For example, employees will not discuss our pricing approach for government procurements with competitors or agree to artificially increase or decrease our prices.

Knowles employees will not seek or obtain competitors’ non-public proprietary information or government sensitive information relating to a procurement.

Government procurements are subject to strict rules to protect the integrity of fair competition. One of the focuses of those rules is to make sure that competitors do not obtain an unfair advantage through access to protected government information or protected nonpublic information of another competitor. Seeking or obtaining such information is illegal. Accordingly, possessing unauthorized protected information will not be tolerated by Knowles.

Examples of protected government information include:

- Any documents reflecting a U.S. Government agency's intentions, including source selection and technical evaluation plans;
- Any documents reflecting the agency's evaluations of offerors' proposals;
- Any documents reflecting competitive range determinations, rankings of offerors, and recommendations for award; and
- Any documents marked "source selection information" or with a similar legend.

Examples of protected competitor information include:

- Any information related to cost or pricing, or methods for developing cost or pricing that is not in the public domain;
- Any information about proprietary processes and business strategy that is not in the public domain; and
- Any documents marked "bid or proposal information."

If such information inadvertently comes into possession of a Knowles employee, the employee will isolate and secure the information to prevent further distribution, and immediately contact your company's compliance officer, the Knowles Law Department or the Knowles Compliance Department to explain where, when, how, and from whom the information was received.

A competitor inadvertently left its information at a public meeting. It is not obvious from the face of the information if it is public. Can I retain the copy?

No. You should not retain the document and should cease reviewing any information contained in the document. The document should be sealed immediately and sent to your company's compliance officer, the Knowles Law Department or the Knowles Compliance Department for proper handling.

I received an e-mail from a government employee and attached to the email is a document marked "source selection sensitive" and appears to describe the agency's needs for a future integrated operating room system. What should I do?

You should immediately cease reviewing any information contained in the document and promptly contact your company's compliance officer, the Knowles Law Department or the Knowles Compliance Department for direction on proper handling.

Knowles employees will not pay "kickbacks" and Knowles does not make improper "contingent payments" to obtain government business.

Knowles employees will never pay "kickbacks" or other improper payments to government employees or to higher-tier contractors in order to induce government business. Knowles will not give customers rebates, "alliance benefits," or other consideration that is not transparent to the Government and could be perceived as an improper attempt to influence government business. Knowles employees who are unsure whether a business relationship complies with these limitations are to refer the matter to your company's compliance officer, the Knowles Law Department or the Knowles Compliance Department for review.

We have a relationship with a company that performs professional consulting work for a government customer. The consultant has requested that we pay a fee in exchange for its recommending and implementing Knowles products and services in the solutions that it delivers to the government customer. May we pay the requested fee?

No. It is against Knowles policy to pay fees or other compensation for the sole purpose of recommending Knowles products and services to government customers.

Knowles will not make payments to a company or individual that are solely contingent on Knowles receiving government business. However, we may use “bona fide” marketing agencies in some circumstance if that marketing agency neither exerts nor proposed to exert improper influence to solicit or obtain government contracts nor holds itself out as being able to obtain any government contract or subcontracts through improper influence. Knowles employees are to refer any potential contingency-fee relationships to your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department for review.

We are considering engaging a consultant who formerly worked for the Air Force to help develop work with the Department. We would compensate the consultant on the basis of a percentage cut of all sales to the Government. Can we enter into this engagement?

Probably not. Knowles will not enter into consulting relationships that are contingent on securing government business without first seeking written authorization from your company’s compliance officer, the Knowles Law Department or the Knowles Compliance Department.

Knowles submits current, accurate, and complete pricing and sales information to the Government.

In connection with contract awards and modifications, the Government may require Knowles to provide historical pricing information (including commercial sales practices and commercial or government sales history) to allow it to compare such information to the pricing offered by Knowles and to negotiate a “fair and reasonable” price. In some cases, Knowles may be asked to certify that the information is “current, accurate, and complete.” Knowles employees must understand that these requirements are to be taken very seriously, and only authorized Knowles employees are to provide the requested information after coordinating with the company’s Government Contracts Department or Government Sales Coordinator or by bringing the matter to the attention of their company’s Chief Financial Officer. Knowles will strive to ensure that the information provided is current, accurate, and complete. Even if Knowles is not required to sign a certification, we will make every effort to ensure that the information provided is accurate and not misleading.

We are negotiating a sale with a government customer. The customer requested that we provide her with samples of commercial transactions and applicable pricing at which the equipment was previously sold. I know of several transactions, may I simply provide this information to her?

No. Please contact your company’s Government Contracts Department or other appropriate department or the company’s Chief Financial Officer, which will help ensure that the information provided is current, accurate and complete, and is provided in a manner consistent with your company’s responses to similar customer requests.

Performing Government Work

Knowles strictly complies with the specifications and terms and conditions of all government contracts.

Once awarded, Knowles companies will perform all contracts in compliance with specifications, requirements, and terms and conditions. Knowles companies will not substitute a different product or service for that promised to the Government without appropriate approvals. Knowles will not mischarge or overcharge the Government.

Knowles keeps complete and accurate records.

Knowles employees will record and report all information accurately and honestly. No employee will sign or submit, or permit others to sign or submit on behalf of Knowles, any document or statement that he or she knows or has reason to believe is false. You will retain books and records in accordance with your company's record retention policies. Books and records include invoices, timecards, expense reports, internal or external memoranda, correspondence or other communications, including telephone, e-mail, or wire communications. When performing government work, Knowles' record keeping is subject to heightened scrutiny and additional requirements.

When performing services on an hourly basis on a government project, employees must record all time and expenditures accurately and honestly on a daily basis. Dishonest reporting within Knowles can lead to inaccurate reporting to the Government and, therefore, misrepresenting facts or falsifying records is strictly prohibited and will not be tolerated. All employees are responsible for ensuring that labor and material costs are accurately recorded and charged on our records. You may only destroy records in accordance with your company's record retention policies. We understand that in the event of an audit, investigation, or litigation, we may be required to retain records for a longer period of time.

Knowles meticulously reviews bills before invoicing the Government.

Knowles understands that some of our contracts are subject to "cost principles" that limit the costs that we can bill to the U.S. Government. In order for us to charge and recover an incurred cost, we will determine that it is reasonable, allocable, and allowable under the terms of the contract, including the general cost principles. Knowles will segregate allowable costs from unallowable costs. Knowles will not invoice the U.S. Government for, or include in our indirect cost rates, "unallowable" costs, including advertising and lobbying costs and fines or penalties. Knowles will pass on to the U.S. Government any discounts or rebates received in connection with government work when required by the applicable regulations and contract provisions. Knowles will follow federal guidelines limiting reimbursement for travel. Knowles employees must understand the importance of accurately tracking payments made by the U.S. Government and report any identified overpayments.

Knowles facilitates and cooperates with government audits.

By contracting with the Government, Knowles has agreed that the Government may examine certain Knowles financial records and cost data, and, in some cases, may interview Knowles employees. Some Knowles information, such as information prepared for internal decision-making purposes, may not be subject to the U.S. Government's record examination rights. When the Government audits our contracts and the associated records, you should refer the matter to your company's Chief Financial Officer and compliance officer for assistance in the audit. Should questions about procedures or requirements arise in the course of the audit, contact the Knowles Law Department or the Knowles Compliance Department for assistance.

Knowles only delivers products that meet the Government's country-of-origin restrictions.

Many of our government contracts will require that Knowles use products produced or manufactured in the United States or other designated countries (generally countries that have entered into trade agreements with the U.S. or certain less developed countries). When these limitations apply, Knowles will not provide products from non-compliant countries, such as China and India. Knowles will not alter or remove the country of origin markings on

products to be delivered to the Government. Knowles will not provide products from “prohibited source” countries, such as Cuba and Iran, with which the Government has decided not to do business.

Proprietary and Sensitive Information and Intellectual Property

Knowles protects the Government’s confidential information.

Through our relationship with the Government, Knowles is entrusted with access to non-public government information. Knowles employees will not discuss, disclose, access, copy, or use confidential government information without advance, proper authorization or clearance. Knowles employees are responsible for taking appropriate precautions to make sure unauthorized personnel do not have access to sensitive government information. You should contact your company’s Government Contracts Department or other appropriate department for help in obtaining the necessary authorizations or if otherwise in doubt. Any loss of confidential government information should be reported immediately to your company’s Government Contracts Department. Knowles will comply with any restrictions on allowing foreign nationals to access sensitive, controlled information.

Knowles employees must safeguard Knowles’ proprietary and confidential information.

Protecting Knowles confidential information is of the highest importance. Knowles employees are prohibited from using, for his or her own personal gain, or disclosing to any third party, any confidential or proprietary information that was obtained as a result of his or her employment or relationship with Knowles. In addition, Knowles employees shall take appropriate measures to protect Knowles confidential information. When we submit confidential information to the Government, we must observe additional protections beyond those we take with commercial customers. When participating in a competitive procurement, Knowles employees must mark all materials submitted to the Government as being prepared by your company by using the legend “[Company name] Bid and Proposal Information.” You must carefully mark all other materials submitted to the U.S. Government as “Confidential and Proprietary Knowles Information – Not Subject to Release Under the Freedom of Information Act.”

Knowles understands that working with the Government implicates unique intellectual property rules.

The U.S. Government generally is entitled to certain rights to intellectual property that is developed under a government contract (or a government grant or cooperative agreement). Therefore, you should consult with your company’s Government Contracts Department, Law Department, or other appropriate department prior to undertaking federally-funded developmental work that may result in the development of data or inventions to which intellectual property rights might attach. We will take steps to promptly report our inventions and label our and government intellectual property in accordance with the applicable rules.

Relationships with Subcontractors and Suppliers

Knowles promotes open and fair competitions for all subcontractors and suppliers.

The Government is generally bound to promote fair and open competition. When Knowles serves as a prime contractor, we will strive to select subcontractors that offer fair and reasonable prices. We understand that our government customer will bear the ultimate costs of these supplies and services, and thus, we will use competitive procedures to obtain the best value for our government customer. Additionally, we seek out business partners who share our culture, values, and business practices, as detailed in Knowles’ Supplier Code of Conduct.

Knowles strives to create opportunities for small businesses, including those owned by women, minorities, and military veterans.

The U.S. Government requires that contractors set goals for creating business opportunities for small businesses, including small businesses owned by women, minorities, and certain covered military veterans. Knowles is dedicated to setting ambitious yet realistic small-business subcontracting goals, and we will endeavor in good faith to meet those goals. Government regulations and contracts specify the steps that are considered good faith efforts to meet such goals, and we should understand these steps and keep a record of our efforts to meet these goals.

Knowles employees never solicit or accept improper payments from subcontractors and suppliers.

Knowles understands that when we are doing business with the Government, we must be extra diligent in making sure that our purchasing practices are fair and free of even the taint of impropriety. Knowles enters into subcontracts and supply agreements based on merit and do not accept kickbacks in any form, including contingency fees, commissions, rebates, and discounts that are intended to improperly obtain favorable treatment. If you have any question as to whether a payment is improper, you should refer the matter to your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department.

For additional information, please see the Knowles Anti-Corruption Policy and the Knowles Code of Business Conduct and Ethics, which can be found on the Knowles Corporation public website at www.knowles.com.

Socio-Economic Requirements

Knowles respects diversity and promotes equal opportunity.

Knowles places a high value on cultural diversity. All Knowles employees have the right to work in an environment free from all forms of discrimination and conduct that is harassing, coercive, or disruptive. Knowles employees must understand that, as a government contractor, Knowles is subject to a higher standard when it comes to maintaining a positive work place. Knowles has in place affirmative action plans. Knowles will provide equal employment opportunity and we will not discriminate on the basis of race, color, religion, sex, national origin, age, marital status, sexual orientation, disability, citizenship status, United States military veteran's status, or any other characteristic protected by law. Knowles also prohibits harassment in employment on the basis of any of these factors. This policy applies to all terms and conditions of employment, including recruiting, hiring, transfers, promotions, terminations, compensation, and benefits.

Knowles employees are expected to file an internal or external complaint if they believe that they or someone else has been subjected to work-related discrimination or harassment. To file an internal complaint, promptly notify your company's Human Resources Department, your Chief Financial Officer or President. If you are uncomfortable having your complaint handled within your company, you may contact the Knowles Law Department or Knowles Corporate Compliance Department, or the Knowles Global Hotline at 1-855-657-8022 or at www.knowles.ethicspoint.com. All complaints will be thoroughly investigated and corrective action will be taken where appropriate. Retaliation for filing a complaint will not be tolerated.

Knowles promotes a workplace that is free from drugs and illegal substances.

All Knowles employees are responsible for ensuring a healthy, drug-free work environment. Knowles will not tolerate illegal drugs or unauthorized alcohol in the workplace. As a government contractor, Knowles is under additional scrutiny. Knowles employees will not manufacture, possess, use, or be under the influence of drugs and illegal substances in the workplace. Employees who do not comply with this standard are subject to disciplinary action, including mandatory counseling programs and even termination. Employees are required to notify its company's Human Resources Department in writing of a conviction under a criminal drug statute for a violation occurring in the workplace within five days of such conviction.

Knowles employees refrain from reading or sending text messages while driving.

Knowles employees understand the risks associated with the distraction of reading or sending text messages while behind the wheel of a car. We never read or send text messages while driving. For this purpose, text messaging means reading from or entering data into any handheld or other electronic device, including for the purpose of short message service texting, e-mailing, instant messaging, obtaining navigational information, or engaging in any other form of electronic data retrieval or electronic data communication.

Political Restrictions

Knowles will make no corporate political contributions.

Knowles employees are encouraged to give their personal time and funds to support the political candidates and charitable causes of their choice. Knowles employees, however, may not use company money, company property, company time, or the Knowles name in pursuing political matters without prior written approval from your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department.

Knowles complies with all lobbying registration and reporting requirements.

Contacts with government personnel for the purpose of influencing legislation, regulations, or decision making may constitute lobbying that triggers registration and disclosure requirements. If a Knowles employee or retained consultant communicates with any public official or the official's staff, the company may be obligated to register as a lobbyist or comply with other regulations. All Knowles employees, including others working on our behalf (such as subcontractors), are responsible for understanding the applicable rules and must work with your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department to ensure compliance in this area.

Reporting Violations

Knowles employees are responsible for adherence to the standards set forth in this Federal Supplement. If you are ever unsure about the right thing to do in a business situation, including interactions with the U.S. Government, you should seek guidance. Further, if you have concerns about any aspects of your compliance obligations or those of Knowles, you should talk to your supervisor or your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department. Employees have a duty not only to comply with the applicable law and our policies, but to report any information that suggests that a violation may occur or may have already occurred. Additionally, any employee who is contacted by another employee expressing concerns about questionable practices must immediately report those concerns. In addition, Knowles employees shall report when there is credible evidence in connection with a government contract or subcontract that a Knowles company has (1) received one or more significant government overpayments; (2) violated a Federal criminal law involving fraud, conflict of interest, bribery, or gratuities in relation to a government contract or subcontract; or (3) violated the civil False Claims Act.

To report violations or potential violations you may contact:

- Your supervisor, who often will be the person best suited to help you. You are not required to contact your supervisor, for example, if you are uncomfortable discussing the matter with him or her, and if your supervisor's response is not adequate, you can and should contact others.
- A Human Resources representative within your location, operating business, or segment
- The President or Chief Financial Officer at your operating business

- Knowles' Law Department (by phone or letter)
- Knowles' Corporate Compliance Department
- Knowles' Global Hotline at 1-855-657-8022 (if in the United States) or at www.knowles.ethicspoint.com (outside the United States) and choose "report by phone." Knowles' Global Hotline is available 24 hours a day, 7 days a week and is administered by a third party. You can report a matter through the Hotline by telephone, or by submitting a web-based report. For Hotline calls, the third-party call center answers the calls and transcribes the information reported. Call ID is never used, and there will be no effort to trace any call made to the Hotline. You may choose to submit anonymously. Keep in mind, however, that the more information you provide, the easier it will be for Knowles to investigate and appropriately respond to the report.

Knowles employees who report violations and potential violations will be treated with respect. Knowles employees will never be penalized for reporting in good faith. If you suspect you are being retaliated against, you should contact one of the resources above.

Knowles will seriously address all reports. Reports made to the company may be disclosed to the Government.

Knowles employees are required to cooperate in any investigations related to potential violations of the Knowles Corporation Code of Business Ethics and Conduct and this Federal Supplement.

Frequently Asked Questions

Q: Whom should I contact with a question or concern related to this Federal Supplement?

A: If you have any question or doubt concerning the applicable rules or what may be considered ethical conduct under the circumstances, you should contact your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department for guidance.

Q: Are the rules, regulations, and restrictions the same for all U.S. Government customers?

A: Not necessarily. The regulations and the severity of the restrictions vary depending on the government agency. If you are dealing with a new government customer, seek advice from your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department regarding any potential unique rules.

Q: We would like to compete for government business and have not been involved with that sector in the past. What should we do?

A: Competing for government business and, if successful, performing government work brings with it many unique responsibilities as highlighted in this Federal Supplement. In addition, Knowles has imposed various limitations and processes applicable to doing business with the Government. Accordingly, all sales and contracting activity involving government entities must first be coordinated with your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department.

Q: My acquaintance works as a part-time technical specialist for the Army. He only spends about 30 percent of his time working for the Government. He spends the remainder of his time doing consulting work. On a day when he is working for the consulting firm rather than the Army, can I take him along to a baseball game at my expense with the intention of discussing his technical background?

A: No. The acquaintance, who would not qualify as a personal friend, is a government employee. Even though he did not do any work for the Government on that day, he is still subject to the gift restrictions.

Q: We are planning a meeting with program personnel from one of our government customers. Can we provide a catered lunch for the meeting to allow us to work through the lunch hour?

A: Generally, no. Knowles does not provide meals to government employees. The government employees could only take part in the meal if the employees pay Knowles the full cost of the meal. Thus, such lunch plans need to be coordinated in advance to provide notice to the government employees.

Q: My friend works for a government agency with which Knowles does not do any business. Can I give a birthday present to my friend?

A: Generally, yes. You would be able to provide this gift because it would be seen as a gift provided based on your friendship rather than as a business courtesy. However, in the absence of a personal or family relationship, you must avoid offering business courtesies that Knowles itself would not provide.

Q: I would like to plan a golf outing with a group of officers from a government purchasing organization that occasionally purchases Knowles products and services. The greens fees at the golf club are \$75. Can we cover \$20 of the cost for each of the government employees?

A: No. A government employee cannot pay the difference to bring an otherwise improper gift within the \$20 *de minimis* exception. Further, given the relationship between Knowles and the government organization in question, the Knowles employee should not even plan such a golf outing unless there is a separate personal or family relationship with the government employees.

Q: I would like to invite a business colleague from the Department of Defense who I know through a prior Knowles contract to a charity event that consists of a cocktail reception and a formal presentation. The tickets to the event are being sold for \$300 each. The food, refreshment, and entertainment that will be provided are likely worth no more than \$15 to 20. Can I provide a ticket to my colleague?

A: No. For a charitable event such as this, the market value is based on the value of the ticket and thus it would be improper.

Q: A high-level group of officials from the Navy is visiting a Knowles facility. May we give the visitors a Knowles memento?

A: Maybe. Knowles employees generally may not provide anything of value to government employees. However, there is an exception for items of minimal value under \$20. Thus, you could provide a pen or coffee mug so long as the circumstances do not otherwise raise any other concerns.

Q: Is it permissible for Knowles or a Knowles employee to obtain information concerning what a competitor has bid or plans to bid on a government procurement?

A: No. It is not permissible for Knowles or its employee (through a competitor's employee or any other means) to obtain a competitor's proprietary and confidential information related to a government procurement, including information related to pricing. This restriction does not apply to information obtained from publicly-available sources.

Q: An employee of one of Knowles' government customers has asked for help in developing specifications to be incorporated into a future Request for Proposals. May we help develop the specifications?

A: Upon request, Knowles employees may provide factual information concerning Knowles products and services. However, Knowles employees may not help prepare specifications or Requests for Proposals unless authorized in writing by the government customer and approved by your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department. The situation may give rise to an organizational conflict of interest that could preclude Knowles from supplying the goods or services that are the subject of the specifications or Request for Proposal.

Q: I received an e-mail sent to a number of government procurement officials, and I appear to be the only non-government recipient. The title of the e-mail is "DRAFT Technical Report" and it includes a Microsoft Word document of the same title. Should I open the e-mail and attachment to determine whether I was an intended recipient?

A: No. The e-mail provides indicators that it contains source-selection information. Improper handling could subject you and Knowles to significant civil and criminal liability. You should notify your company's compliance officer, the Knowles Law Department, or the Knowles Compliance Department, which will determine the proper procedure for handling the situation.

Q: I have recommended to my supervisor that Knowles hire a former government technical specialist with whom I have worked in the past. May I discuss potential employment with the specialist?

A: Knowles' ability to hire current and former government employees is subject to numerous complex restrictions that limit not only Knowles' ability to enter into employment discussions, but also limit the scope of the work the former government employee can perform after joining Knowles. Before even discussing the topic of potential employment with a current or former government employee, Knowles employees must consult with your company's compliance officer or Human Resources Department to understand the applicable restrictions that apply to the employment discussions and, if hired, would apply to the former government employee after joining Knowles.

Q: One of our employees formerly worked for a government agency that is not a current Knowles customer. While at that facility, the employee had access to pricing information of one of our competitors. May that Knowles employee share the information he learned about our competitor with Knowles employees responsible for pricing government work?

A: No. That employee has a responsibility to protect confidential information, including a competitor's pricing information, which he obtained while working for the Government. The employee may not share the information with any other Knowles employees. In addition, your company's compliance officer and Human Resources Department should be notified of the employee's prior access to sensitive information and the individual should be "firewalled" from any involvement in procurements for which his prior access to competitor's information could raise even the appearance of impropriety or an unfair competitive advantage.

Q: Knowles is considering competing for a consulting contract under which it would be responsible for helping its customer redesign its existing infrastructure. Would this contract preclude Knowles from competing on a follow-on contract to provide products to support the infrastructure?

A: It is possible that the Government would conclude that our design work gives us an unfair competitive advantage in the build phase of the project. Before deciding to compete for the design work, the matter should be referred to your company's Government Contracts Department to assess the extent to which this work may give rise to an organizational conflict of interest.

Contacts

- Your operating company's compliance officer
- The President or Chief Financial Officer at your operating company
- A Human Resources representative
- Knowles' Law Department (by phone or letter)

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