



SUPPLIER CODE OF CONDUCT

FOREWORD AND SUPPLIER CERTIFICATION

CTS Corporation (“CTS”), founded in 1896, has built its reputation by producing quality products as well as by adhering to the highest ethical, moral and legal standards in the conduct of its business. Whether in dealing with our customers, our suppliers, our employees, our communities or our shareholders, CTS believes that principles of fairness, honesty and integrity must guide CTS in all actions which are undertaken by CTS.

CTS also believes that the same principles of fairness, honesty, and integrity must guide CTS’ suppliers in all actions which are undertaken by CTS’ suppliers particularly in the following critical areas: Compliance with Laws; Labor; Health and Safety; Environment; Ethics; and Compliance Management.

To insure that all CTS suppliers fully understand CTS' expectations with respect to personal integrity and ethical and legal behavior, CTS created this Supplier Code of Conduct.

CTS' business reputation is its most valuable asset, because it is the cornerstone on which CTS’ competitive position in the marketplace, and the ability for growth and continued job opportunities, depends. CTS is placing a high degree of trust in you as one of its suppliers to keep that reputation unblemished.

Supplier acknowledges and certifies, through the undersigned authorized representative, its commitment to comply with this CTS Supplier Code of Conduct as a condition of entering into or remaining in a business relationship with CTS or one of its subsidiaries.

Supplier Name:

Printed Name of Individual Signing on behalf of Supplier:

Title:

Signature:

Date:

I. Code of Conduct

A. Compliance with Laws:

CTS is committed to full compliance with all laws, rules, and regulations of the United States, and of such all other countries as may be applicable to CTS' business operations. Supplier is likewise expected to operate in full compliance with all laws, rules, and regulations applicable to Supplier. Supplier is additionally expected to ensure that all products, services and shipments for CTS adhere to all applicable international trade laws, rules, regulations, and compliance requirements.

B. Labor:

CTS is committed to providing equal employment opportunity for all applicants and employees by hiring and promoting on the basis of qualifications, performance and abilities; maintaining affirmative action plans as required by law; not tolerating workplace harassment whether verbal, written, or physical; providing a workplace free of any type of illegal discrimination; upholding the human rights of workers; and treating employees with dignity and respect. Supplier shall be likewise committed to providing equal employment opportunity for all of its applicants and employees.

1. Supplier shall employ only workers who meet the applicable minimum legal age requirement, except that in no event shall Supplier employ any person under the age of 16, even if local law permits otherwise. Supplier shall also comply with all other applicable child labor laws according to local regulations.
2. Supplier shall comply with all laws regarding slavery and human trafficking of the country or countries in which Supplier does business and, more specifically, Supplier agrees that it does not and will not use any indentured or forced labor, slavery or servitude.
3. Supplier's plants shall set working hours, wages and over-time pay in compliance with all applicable laws. Workers shall be paid at least the minimum legal wage or a wage that meets local industry standards, whichever is greater.
4. Supplier shall treat employees with dignity and respect and will not engage in or permit corporal punishment, threats of violence, or other forms of harassment whether based on gender, race, color, religion, ethnicity, age, sexual orientation, national origin, disability, or any other legally protected characteristic.
5. Supplier shall employ workers on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs (including race, color, gender, nationality, religion, and age, maternity, sexual orientation, or marital status).
6. Supplier shall respect employees' right to join or not join any lawful organization, including trade unions and works councils, and shall comply with all applicable local and national laws pertaining to freedom of association and collective bargaining.

C. Health & Safety:

CTS is committed to promoting the health and safety of its employees through compliance with all applicable laws and regulations, and with a positive commitment to continuous improvement. Supplier shall likewise comply with all applicable employee health and safety laws and regulations.

1. Supplier shall comply with CTS' health and safety program while on-site at a CTS location or at a CTS customer location.
2. Supplier shall ensure a safe work environment and minimize physical and chemical hazards through proper design, engineering and administrative controls, preventative maintenance and safe work procedures as well as ongoing safety training.
3. Supplier shall provide workers with appropriate personal protective equipment where hazards cannot be adequately controlled by other means.
4. Supplier shall provide and properly maintain physical guards, interlocks, and barriers where machinery presents an injury hazard to workers.
5. Supplier shall minimize the impact of emergency situations through the implementation of emergency plans and response procedures.

D. Environment:

CTS is committed to complying with all applicable environmental laws and regulations; treating the environment with care; and engaging in responsible business practices with respect to environmental management. Supplier shall share the same environmental commitment and comply with all applicable environmental laws and regulations.

1. Supplier shall maintain all required environmental permits and registrations and follow the operational and reporting requirements of such permits.
2. Supplier shall comply with regulated substance specifications and with any applicable laws and regulations prohibiting or restricting the use or handling of specific substances.
3. Supplier shall endeavor to reduce or eliminate solid waste, wastewater, and air emissions by implementing appropriate conservation measures in its production, maintenance, and facility processes
4. Supplier shall manage, control, treat and/or dispose of non-hazardous solid waste, wastewater, and/or air emissions generated from operations as required by applicable laws and regulations, before discharge.

E. Ethics:

CTS has built its reputation by producing quality products as well as by adhering to the highest ethical, moral, and legal standards in the conduct of its business. Whether in dealing with our customers, our suppliers, our employees, our communities, or our shareholders, CTS believes that principles of fairness, honesty, and integrity must guide CTS in whatever actions CTS undertakes. Supplier shall commit to the same high standards of ethical conduct.

1. Supplier shall prohibit any and all forms of, and shall comply with all applicable laws relating to, corruption, extortion, and embezzlement by its employees, officers, directors or agents.
2. Supplier shall adhere to standards of fair business, advertising, and competition.

3. Supplier shall not offer or accept bribes or other means to obtain an undue or improper advantage.
4. Supplier shall accurately record and disclose information regarding its business activities, structure, financial situation, and performance in accordance with applicable laws and regulations as well as prevailing industry business practices.
5. Supplier shall respect intellectual property rights and safeguard customer information. Transfer of technology and know-how shall be done in a manner that protects intellectual property rights.
6. Supplier shall incorporate international Supply Chain Security (SCS) measures into its business processes.
7. Supplier shall implement processes as well as procedures and exercise due diligence to detect and avoid counterfeit parts.
8. Supplier is committed to ensuring that the products it sells do not incorporate “conflict minerals” (minerals which are smelted into tin, tantalum, tungsten and gold) sourced from entities which directly or indirectly finance conflict in the Democratic Republic of Congo or adjoining countries. Supplier requires its own downstream suppliers to:
 - a. Perform sufficient due diligence into their respective supply chains to determine whether products sold to Supplier and CTS contain tin, tantalum, tungsten or gold, and, if so, whether and to what extent those metals are sourced from conflict-free smelters;
 - b. Report to CTS the results of such due diligence to enable CTS to comply with its legal obligations and policy goals; and
 - c. Commit to being or becoming “conflict-free”, so that any such metals are sourced only from conflict-free smelters.
9. Supplier shall implement a comprehensive business continuity plan throughout its operations and supply chain to preserve the safety of workers, protect physical property from loss and damage, safeguard intellectual property, prevent interruptions in the manufacturing process and ensure the integrity of shipments at the point of origin.
10. Supplier shall implement processes to address the confidentiality and protection of any employee who in good faith raises a concern, makes a report, or assists with an investigation related to potential ethical or criminal violations.
11. CTS recognizes that it is customary for some of its suppliers, customers and other business associates to occasionally give small gifts or offer modest business entertainment to those with whom they do business. It is important, however, that these gifts and entertainment events do not affect an employee’s business judgment, or give the appearance that judgment may be affected. When doing business with or conducting business on behalf of CTS, Supplier may, for legitimate business purposes: (i) offer gifts or entertainment to suppliers, customers or other business associates; or (ii) accept gifts or entertainment offered by suppliers, customers or other business associates; provided, however, that in each instance the gift or entertainment: is unsolicited; is not a bribe, kickback or other illegal or illicit payment; is not given in exchange for any consideration; would not embarrass CTS if disclosed publicly; and does not create the appearance (or an actual or implied obligation) that the gift giver is entitled to preferential treatment, an award of business, better prices or improved terms of sale.

II. Compliance Management

Supplier shall adopt or establish a management system whose scope is consistent with the content of this CTS Supplier Code of Conduct. The management system shall be designed to ensure: compliance with all applicable laws, regulations, and customer requirements related to Supplier's operations and products; conformance with this CTS Supplier Code of Conduct; and identification and mitigation of operational risks related to this CTS Supplier Code of Conduct. It should also facilitate continual improvement. The management system should include the following elements: company commitment; management accountability and responsibility; legal and customer requirements; risk assessment and risk management; improvement objectives; training; communication; worker feedback and participation; audits and assessments; corrective action process; documentation and records; and Supplier responsibility.

III. Compliance Monitoring, Verification, and Audit

CTS and/or any of its representatives or agents or authorized third parties shall have the right of access to Supplier's facilities and all relevant records associated with the products and services provided to CTS for the purpose of allowing CTS to conduct independent monitoring, verification, and auditing of Supplier's compliance with the CTS Supplier Code of Conduct. The monitoring, verification, and auditing by CTS may be unannounced. However, depending on the circumstances, Supplier and CTS agree to establish a mutually agreeable date and time for access, monitoring, and audit by CTS. Supplier agrees to cooperate with CTS to audit and investigate any allegations of wrongdoing, misconduct or corruption in violation of the CTS Supplier Code of Conduct.

IV. Application to Sub-Contractors

This CTS Supplier Code of Conduct applies to any sub-contractor that provides goods or services to Supplier. Supplier is responsible for the flow down and compliance with this CTS Supplier Code of Conduct by any of its sub-contractors. Supplier agrees to accommodate CTS' right to audit any sub-contractor's compliance with CTS's Supplier Code of Conduct.

V. Event of Violation

Supplier shall promptly notify CTS via its CTS representative and/or CTS's website (www.ctscorp.com) of known breach of this CTS Supplier Code of Conduct and implement a corrective action plan to cure the non-compliance within a specified time period (furnished to CTS in writing). If Supplier fails to meet the corrective action plan commitment, CTS may terminate the business relationship, including suspending placement of future orders and potentially terminating current production. CTS reserves the right to hold Supplier responsible for all actual and direct damages and costs that are directly attributable to Supplier's non-compliance with this CTS Supplier Code of Conduct.

A. Cooperation with CTS Information Requests

Supplier shall cooperate with any CTS request for information relating to the Supplier's manufacture of products for CTS including, but not limited to, conflict minerals, sustainability, carbon disclosures, energy use, and other reporting obligations imposed by CTS by its customers.