



## Conflict of Interest Policy – Customer and Vendor

At Franklin Electric Co., Inc. (NASDAQ: FELE), we strive for significant achievements that are guided by our core principles. These principles are quality, availability, service, innovation, and value. We do this not because it is good business, but because it is right. Franklin Electric's core principles will never be compromised for short-term results. Consequently, we require that our directors, officers, employees, representatives, vendors and consultants comply with our Conflict of Interest Policy.

**Purpose.** The purpose of this Conflicts of Interest Policy (the "Policy") is to establish general standards for all directors, officers, employees and certain vendors, consultants, representatives and agents of Franklin Electric Co., Inc. and its subsidiaries and affiliates (collectively the "Company") for avoiding situations which could or do cause a conflict between personal interests and obligations to the Company.

**General Principles.** In general, conflicts of interest arise whenever a party engages in any activity, enterprise, relationship or association which might compromise or interfere with the obligations or judgment owed to the Company. While this Policy identifies some situations or circumstances where a conflict of interest may arise, the situations described in this policy are not all-inclusive and other situations may arise in practice. Just because a particular situation is not specifically identified in this policy does not mean that it is permissible. If there is any doubt or question about the propriety of the matter, it should be reviewed and approved in advance with the Chief Financial Officer of the Company.

**Family Relationships.** Because of the relationships that exist among family members and because benefits or advantages realized by one family member may also benefit others, this policy applies to the immediate family of persons identified above. For this purpose, a member of the immediate family is defined as a spouse, child, father, mother, sister and brother (and their spouses) and any other relative living in the same household.

**Examples of Conflicts.** The following are examples of activities that may give rise to a conflict of interest and which are prohibited by this policy unless reviewed and approved in advance as contemplated by this policy:

- Direct or indirect ownership of financial interests in companies or other organizations which compete or do business with the Company, except as such interest may consist of ownership of a non-material amount of stocks or bonds of companies listed or regularly traded on a recognized stock exchange or over-the-counter market;
- Engagement by the Company as a contractor or sub-contractor, vendor, supplier, or in any other capacity to perform service for the Company (other than normal employment);
- Employment by or performance of any services to any other business or entity that does (or is seeking to do) business with, or is an actual or potential competitor of, the Company;
- Acceptance of gifts of more than token value (defined as anything greater than US \$50), loans (other than from established banking or financial institutions), or other favors from any other business or entity that does (or is seeking to do) business with, or is an actual or potential competitor of, the Company. For clarification, if personnel attend an event along with a business client for a business purpose, it is entertainment. However if personnel give or receive tickets to an event and the business client does not attend or if personnel attend but there is no business purpose, then it is a gift. Any gifts, as described above, that are given or received by Company personnel must be documented and submitted to the Internal Audit and Legal Department;
- Disclosure or use of confidential and other proprietary information or trade secrets of the Company for personal profit or advantage or the profit or advantage of anyone else, either during employment or engagement by the Company or after the termination thereof;
- Copying confidential or important documents or other Company information regardless of format and distributing that information to third parties that do not have a right to know;



# Franklin Electric

- Competition with the Company (either directly or indirectly) in the purchase, sale or other transactions in property or rights or in providing services to others;
- Engaging in any outside business or other relationship, employment, or other activities that interfere with the ability to perform responsibilities owing to the Company at the level required by the employment position in question;
- Taking advantage of an opportunity that a party became aware of in the course of employment or engagement by the Company;
- Having any financial interest on the other side of any sale, purchase or other transaction in which the Company is or may be involved; and
- Service on the board of directors of any customer, vendor or competitor of the Company.

**Compliance with Policy as a Condition of Employment.** Employees covered by this policy agree as a condition of employment or engagement that (a) except as specifically disclosed in writing to the Chief Financial Officer of the Company, they do not have any interest or relationship and are not engaged in any activity which is prohibited by or which might give rise to a conflict of interest under this policy, and (b) they will advise the Chief Financial Officer of the Company immediately upon becoming aware of or involved in any actual or possible conflict of interest situation.

**Certification of Compliance.** Employees covered by this policy are required to certify as of the date of hire or engagement and annually in writing, in such form as may be prescribed by the Chief Financial Officer of the Company, their continued compliance with this policy. Failure to provide such certification and other failure to comply with this policy may be grounds for disciplinary action, including reassignment, demotion or dismissal.

**Reporting.** It is essential to promptly and fully disclose to and to discuss with the Chief Financial Officer of the Company any situation which may involve a conflict of interest. This is true even if the person aware of the potential conflict has no personal involvement in the interest, relationship, or activity giving rise to the conflict. If direct reporting to the Chief Financial Officer is infeasible for any reason, the potential conflict of interest should be disclosed to the Company's Internal Audit Manager, or via the Ethics and Integrity Hotline. All information disclosed shall be treated on a confidential basis, except to the extent required for the protection of the Company's interest.

Reports will be taken from any person, Franklin Electric employee or not. You may remain anonymous if you wish. All complaints and concerns will be thoroughly investigated. You will receive a response if possible and appropriate.

**Contact Information.**

Mail to:  
Franklin Electric Co., Inc.  
*c/o Internal Audit Manager;*  
*Chief Financial Officer; or*  
*Legal Department*  
9255 Coverdale Road  
Fort Wayne, IN 46809

Email the Audit Committee at [audit@fele.com](mailto:audit@fele.com)

Telephone the Company at 260-824-2900

Call the Franklin Electric Ethics & Integrity Hotline toll-free at 1-800-461-9330

Contact the Franklin Electric Ethics & Integrity Hotline via the web at:  
<http://ethics.fele.com>