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**VISHAY**

**ETHICS**

**CODE OF BUSINESS CONDUCT**

**(Approved by the Board of Directors effective as of February 25, 2004)**

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**ETHICS**  
**Code of Business Conduct**

Dear Fellow Employee:

As employees of Vishay, we share a responsibility to treat fellow employees, customers and suppliers with honesty and integrity and to adhere to the law at all times in the delivery of high quality products at a fair price.

This Code of Business Conduct sets forth standards of conduct to which Vishay subscribes. This booklet is intended as a convenient way to emphasize our commitment to the standards of conduct and to serve as a reminder of our obligation to act in accordance with them.

Vishay management continues to assign the highest priority to maintaining ethical business practices. In the end, however, the continued success of this policy depends upon the commitment of all of us to the highest ethical standards in the performance of our jobs. Please become completely familiar with this booklet. Refer to it often and integrate the standards of ethical business conduct fully into your daily working life.

Sincerely,

Felix Zandman  
Chairman and Chief Executive Officer  
Vishay Intertechnology, Inc.

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## **Introduction**

This Code of Business Conduct reflects what we believe to be ethically and legally correct business practice. The Code is applicable to all employees, and we expect and encourage every employee to adhere to the standards of conduct set forth in this booklet.

## **Employee Responsibilities**

This Code of Business Conduct provides a guide for you in your business dealings on behalf of the Company and also imposes specific obligations on you as an individual:

Each employee must understand and conform to the ethical responsibilities imposed by this Code. Employees in doubt about their responsibilities should seek additional counsel from their supervisor, from their Personnel Manager, from their Division Manager, or from the Corporate Ethics Director.

Each employee must advise fellow employees when it appears that their actions may be in violation of this Code, and if the apparent violation continues, the situation must be reported as required by this Code.

Each employee must avoid situations which could result even in the appearance of wrongdoing or impropriety under this Code.

## **Company Responsibilities**

The Company will not tolerate any situation which creates even an appearance of wrongdoing or impropriety under this Code. Any suspected violations of this Code should be reported immediately to any of the persons listed in this booklet below under "Reports and Inquiries."

## **Records**

All books, time cards, expense reports, accounts, records, contract reports and financial reports must be maintained in an accurate and auditable manner. The Company will not condone the falsifying of records for any reason. Infractions of this rule are cause for dismissal.

**Time and Attendance Reporting** All employees whose duties require completion of detailed time cards or other time records must ensure that these records are completed accurately and on a timely basis. Failure to accurately record time worked may result in an improper cost allocation.

**Expense Reports** All business expenses incurred in performing Company business must be documented accurately and completely on expense reports. In the filing of expense reports, it is necessary to distinguish clearly between travel expenses, business meeting/ conference expenses and business entertainment expenses. Care must be taken in ensuring that proper identification and accounting is made of those charges which are not allowable or allocable to government contracts. If you are unsure whether a certain expense or transaction is legitimate, or how to properly account for an expense or transaction, you should ask your supervisor.

**Maintenance of Accounts and Documentation of Transactions** No funds or accounts may be established or maintained for a purpose that is not described fully and accurately in the relevant books and records.

No undisclosed, unrecorded or “off book” funds or assets may be established or maintained for any purpose.

No knowingly false or fictitious entries may be made or misleading reports issued. All entries must accurately describe the transaction to which they relate.

Payments must be made only for work actually performed or products delivered and accepted (except for authorized prepayments).

All invoices to customers and others must reflect accurately the products sold or work performed, the true sales price and the terms of sale. Payments received in excess of amounts billed must be refunded promptly or customer accounts credited as appropriate.

**Dating of Documents/Reports** No document may be dated with any date other than the actual date of execution or creation unless that document clearly states on its face that the date is to be regarded “as of” a different date.

### **QPL Data**

Certain divisions of the Company supply to the U.S. government products which must meet military specifications. Therefore, the Company is listed on the Qualified Products List (QPL) of the Defense Electronics Supply Center (DESC). Periodic reports which include test data are required to be submitted to DESC. Failure to submit accurate and timely reports can jeopardize the Company’s QPL approval. It is illegal to falsify or omit required information (e.g., test failures, field failures, customer returns) from government reports. Penalties include immediate dismissal and possible criminal prosecution.

### **Conflict of Interest**

Personal activities or interests which may influence, or appear to influence, the objective decisions required of employees in the discharge of their job duties are considered conflicts of interest and are prohibited unless approved in writing by the Company. As an employee, you must be alert to the potential for a conflict of interest and must avoid even the appearance of a conflict. An employee faced with a real or potential conflict of interest must make full and prompt disclosure to the Company.

**Outside Employment** No employee may hold a position with any competitor, customer or supplier, or with any other business or professional enterprise which interferes, or appears to interfere, with the performance of his or her job duties, or which may involve obligations inconsistent with the interests of the Company. The solicitation or performance of any outside work for personal gain during working hours is prohibited. This shall not be construed as a prohibition against participation in industrial, religious, civic, charitable or educational affairs, as long as such activities do not interfere with the performance of an employee’s job duties and do not involve obligations which may conflict with the interests of the Company. Employees must get prior permission from the Corporate Ethics Director to serve as a director, trustee or officer of a non-profit organization as a representative of the Company or to serve on the board of directors of another for-profit company in any capacity.

**Outside Financial Interest** Each employee must avoid any material financial interest in competitors, suppliers and customers of the Company without first obtaining written approval from the Company. If the Company should become involved in a business transaction with a third party in which an employee or an immediate family member of an employee is affiliated or has a material financial interest, the employee must promptly disclose the affiliation or interest to both organizations in writing. Such a financial interest might arise through:

- Stock ownership, partnership or other proprietary interest, or holding of debt or debt securities.
- Receipt of remuneration, compensation, commissions, or brokerage, finders, consulting or advisory fees.
- Holding office, serving on the board of directors, or otherwise participating in management.
- Borrowing money (except for loans from banks or commercial lending institutions in the usual manner).
- Ownership of any interest in, or any dealing in, real estate, equipment, materials or property where the opportunity for such investment is presented to the employee solely or substantially as a result of his or her position with Vishay or where the individual stands to gain financially due to his or her position with Vishay, whether or not such activities would adversely affect Vishay's best interests.

Certain types of financial interests will not be considered substantial or material, such as ownership for investment purposes of less than five percent (5%) of any class of stock, debt or other securities in a public company or enterprise.

**Government Employees** There are specific statutory and regulatory provisions pertaining to the employment of, or offer to employ, past and present U.S. government employees and servicemen and women which determine whether they may be employed by the Company and which may affect the duties they can legally perform as employees. It is essential that every past and present U.S. government employee abide strictly by the letter and spirit of these provisions to preclude any violation.

### **Entertainment, Gifts and Gratuities**

Business decisions must be made impartially and solely on the basis of such factors as price, quality, service, financial responsibility, and the maintenance of adequate and reliable sources of supply. Employees must exercise care and discretion to ensure that any business courtesy extended or given does not, in fact or appearance, influence the outcome of their business decisions. As used here, the definition of "business courtesy" is a benefit extended to, or on behalf of, the recipient for which fair market value is not paid by the recipient. It might be a tangible or intangible benefit and would include, but is not limited to, such items as meals, drinks, entertainment, all forms of hospitality, recreation, transportation, discounts, tickets, passes, promotional material, and the recipient's use of the donor's time, material or equipment. It is recognized that business courtesies are occasionally appropriate in the ordinary course of

business. However, such business courtesies must always be consistent with generally accepted ethical business practices.

**Received by an Employee** No employee may solicit or accept, personally or by or through family members, a business courtesy which might have the appearance or effect of influencing the employee's judgment in the performance of his or her duties. Employees may accept meals, refreshments and entertainment which are modest in value. If you receive a gift, entertainment, or other benefit which does not comply with this Code, or are unsure whether it complies, you should report it in writing to your supervisor. The supervisor may consult with the Corporate Ethics Director in determining whether it is appropriate for you to keep the gift, accept the gift on behalf of the Company or return the gift.

**Provided by an Employee** No employee or representative may offer or provide a business courtesy to a customer or a customer's representative which may have the appearance or effect of obtaining a competitive advantage or influencing the customer's business judgment or decisions.

The U.S. government, Department of Defense, NASA and other federal agencies, as well as some state and local governments, have very strict statutes and regulations prohibiting solicitation and acceptance of business courtesies. There are few exceptions to these laws. Accordingly, no employee shall offer or provide money, gratuities, meals, refreshments or other business courtesies to government civilian or military personnel unless it is clear that the intended recipient may lawfully accept the business courtesy offered or provided.

In doing business with non-governmental commercial customers and suppliers, employees may provide meals, refreshments and entertainment which are modest in value.

### **Bribes, Kickbacks and Payoffs**

No payment or arrangement of any kind shall be made by any employee or representative which is illegal under United States law or the law of any country affected by such payment or arrangement. In addition, no payment or arrangement shall be made which, although technically legal, could be embarrassing to the Company. This applies to direct and indirect payments such as commissions, fees or other payments to any attorney, salesman, agent, consultant or other person or entity when any part of the payment is to be used to pay a bribe, or kickback or any other illegal or unethical fee.

**Federal Anti-Kickback Act** This act prohibits the payment of any fee, commission, compensation, or gratuity of any kind, directly or indirectly, by or on behalf of a supplier or subcontractor, to induce or acknowledge a purchase or the award of a subcontract. The act contains provision for criminal penalties.

**Foreign Corrupt Practices Act** This Act prohibits payments, either directly or through an agent or representative, to a foreign official for the purpose of influencing an official act or decision.

### **Corporate Opportunities**

Employees, officers, and directors have a duty to the Company to advance its legitimate business interests as opportunities to do so arise. Such personnel are also prohibited from using Vishay property, information, or positions for personal gain or competing with the Company. Employees, officers, and directors must not take for themselves (or direct to a third party) a business opportunity that is discovered through the use of Vishay property, information, or position, unless the Company has already been offered the opportunity and turned it down.

In some situations, it is difficult to distinguish personal benefits and benefits to the Company. Likewise, certain situations may provide both personal benefits and benefits to the Company. Where you will make use of Vishay property or resources in any way that is not solely for Vishay's benefit, you should seek approval of such use in advance from your supervisor or the Corporate Ethics Director.

### **Securities Trading Policy**

Many who work at the Company have access to confidential information concerning the Company and its affairs, which may include information about other companies. Under federal securities laws, if you possess non-public information concerning a company or its securities that is "material," you not buy or sell that company's securities while in the possession of such "inside information," including short sales of those securities. For these purposes, securities include stock purchased upon the exercise of stock options, derivatives such as puts and calls and convertible and non-convertible debt securities.

The standard that applies to the use of such information is one of "materiality." If the confidential information is "material" or, in other words, of such significance that a reasonable investor would want to know about it in deciding whether or not to invest in a company's securities, then you must not trade in those securities until the information is fully disclosed to the public. Full public disclosure generally means a press release or SEC report and approximately three days for distribution and interpretation of the information. It is also illegal to communicate (to "tip") inside information to others so that they may trade in any securities based upon that information. These illegal activities are commonly referred to as "insider trading." Failing to abide by this standard could result in criminal and/or civil liability under the insider trading rules of the federal securities laws and other applicable laws.

### **Media Disclosure**

You may receive inquiries from news media representatives. Individuals who talk directly to reporters without going through the proper channels risk providing incorrect information or revealing proprietary strategies. Unless responding to such inquiries is among your specifically authorized responsibilities, you should politely refer all media representatives to the Vishay Investor Relations Department.

### **Use of Property and Technology**

The property and technology of the Company and customer property and technology which is furnished to the Company for contract performance must be protected by each employee against loss, damage, or misuse.

**Personal Use Prohibited** Employees may not use Company property or technology for personal benefit without first obtaining permission from the Company. Customer property and technology may be used by employees only in the performance of their job duties.

**Confidentiality** All Company or customer technical and business information is to be disclosed only to Company employees who have a “need-to-know” in order to perform their job duties. Company or customer technical information is to be disclosed outside the Company only after a “need-to-know” has been clearly established and proper authorizations, if required, have been received.

**Sale, Loan or Disposal** Company or customer property and technology may be sold, loaned or disposed of only with proper written authorization.

### **Public Office**

All employees must notify and receive the approval of the Corporate Ethics Director before committing to a candidacy for elective office or a formal position on a campaign committee and before accepting an appointment to a public or civic office. The Company may wish to take steps to ensure that such campaign or public service does not raise conflicts of interest. In general, a Company employee may run for and serve in local, elective, or appointed civic offices so long as the activity, including campaigning:

- Occurs outside work hours;
- Involves no use of the Company’s name, facilities, client lists, assets, or funding;
- Is confined solely to the person’s capacity as a private citizen and not as a representative of the Company; and
- Does not present an actual or perceived conflict of interest for the Company, as determined in the Company’s sole judgment.

### **Fair Dealing**

Every Company director, officer, and employee must deal fairly with the Company’s clients, vendors, competitors and fellow Company personnel. The Company seeks to excel and outperform its competitors honestly and fairly. Competitive advantage must result from superior performance, not unethical or illegal business dealings. The Company must not take unfair advantage of anyone through unethical or illegal measures, such as manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practices.

### **Proper Marketing Practices**

Good and proper marketing practices emphasize the merits of Company products and services and focus on providing complete and accurate information which will enable our customers to make informed decisions. Marketing practices must not be designed to induce employees or representatives of our customers to place their personal interests above those of the firms or organizations they represent. Marketing activities that could cause embarrassment to the Company, its employees or its customers are also prohibited regardless of the perceived justification for such activity. To this end, employees may use only methods consistent with the

standards set forth in this Code to maintain markets for our products and services, and to secure additional business.

**Realistic Proposals** It is our responsibility to submit realistic proposals on performance, cost and schedule to meet the requirements of our customers.

**Contingent Fees** An agreement to pay to a third party other than a bona fide agent or Company employee any commission, percentage, brokerage or other fee contingent upon the success of that party in securing a U.S. government contract is generally prohibited. A bona fide agent is an established commercial or selling agency that neither exerts nor proposes to exert improper influence to solicit or obtain a government contract. You must seek direction from the Director of Legal Services before you enter any agreement which provides for the payment of a fee contingent upon the award of a government contract.

**Advertising** Our goal is to increase business by offering superior products and services. Accordingly, all Company advertising must be truthful, not deceptive, and in full compliance with applicable laws, regulations, and company policies. All advertising and marketing materials must be approved pursuant to the procedures established in each of the Company business units.

**Access to Government Information** In order to prevent bidders and offerors from obtaining an unfair competitive advantage, certain agencies of the U.S. government have established various limits on the release of government held information to potential contractors. Company employees involved in contracting with the U.S. government must understand and adhere to any such regulations.

## **Antitrust**

U.S. antitrust laws are complex and carry penalties which are particularly severe. It is very important that these laws be strictly followed. Among the transactions and practices prohibited by U.S. antitrust laws are:

**Tying Agreements and Exclusive Dealing** A seller with a strong market position in one of its products or services may not force its customers to take other products or services as a condition to delivery of the desired article. Similarly, a company may not sell a product upon the condition that the purchaser will not use or purchase the products of a competitor.

**Price Fixing** Any agreement, understanding or arrangement between competitors to raise, lower, fix or stabilize prices, as well as any agreement between a supplier and customer as to the price at which the customer may resell goods purchased from that supplier, are prohibited by law.

**Collusion** No employee or representative of the Company may enter into any understanding or arrangement of any kind for the purpose or with the effect of reducing competition with any competitor in the preparation and submission of bids or proposals for the sale of Company products or services.

**Anti-Competitive Practices** The antitrust laws prohibit any understanding or agreement, expressed or implied, between competitors: (1) to allocate territories, markets or customers; (2) to limit production of any product; or (3) to boycott a customer or supplier.

**Reciprocal Dealings** The antitrust laws prohibit the use of any reciprocal sales or purchasing agreements. Purchasing decisions must be based on such factors as price, quality, service, financial responsibility and the maintenance of adequate and reliable sources of supplies. It is improper for any employee to make a purchasing decision because a supplier buys or uses goods or services sold by the Company. Sales of Company products and services must also be based solely on their individual merits.

It is important that any questions about a particular transaction or practice be referred to the Director of Legal Services.

### **Contracting**

Employees involved in contracting with the U.S. government have a special responsibility to:

Understand and adhere to all applicable procurement regulations with regard to all aspects of the sale of products or services.

Ensure that Cost Accounting Standards and principles of cost allowability and allocability are properly and consistently followed.

Comply with the provisions of the Truth in Negotiations Act.

Avoid forming any business relationship with any individual or business entity that is listed by a Federal agency as suspended, debarred, proposed for debarment, or is otherwise ineligible for Federal programs.

### **Procurement**

Material, supplies, equipment and services shall be purchased from qualified, competent and responsible sources. Such purchases shall be made on a competitive basis, whenever practicable, and shall be based on price, quality, service and other such factors.

### **Quality**

Products must be designed and manufactured in accordance with contractual commitments to our customers. We are obligated to perform any testing contractually required to meet these commitments and to provide the necessary supporting documentation. Employees responsible for executing inspection and testing documentation must ensure that it is complete and accurate.

### **International Business**

Special care must be taken to identify and accommodate the differences between international markets and those in the United States. A company operating internationally will inevitably encounter laws which vary widely from those of its own country. Local customs and practices with regard to business and social dealings may also vary from place to place. Our policy is to comply with all laws which apply in the countries where we do business. In countries where

common practices might indicate acceptance of standards of conduct other than those to which the Company aspires, employees will follow the ethical standards described in this booklet.

**Boycotts** The Export Administration Act of 1979 restricts participation in boycotts of certain foreign countries. All requests by customers to observe boycotts or to furnish information in support of a boycott must be reported to the Director of Legal Services.

### **Political Contributions**

Federal law and many state laws prohibit corporate contributions either to political parties or candidates. To ensure compliance with these laws, no fund, services or assets of any kind may be either contributed or loaned, directly or indirectly, to any political party or to the campaign of any person for political office, or expended in support of or in opposition to such party or person. This prohibition is not intended to discourage employees from engaging in political activities on their own time and at their own expense.

### **Environmental Concerns**

The Company is committed to the protection of the environment and the conservation of natural resources in every responsible way. Accordingly, the Company is committed to comply with the environmental laws and regulations, treatment and disposition processes to ensure that the methods by which goods are produced, and wastes are treated and disposed, do not unreasonably harm the environment. The Company shall ensure that its employees are made aware of applicable environmental laws and regulations and shall develop policies and procedures to ensure that its operations comply with applicable requirements concerning generation, storage, treatment and disposition of hazardous waste.

### **Security**

From time to time, the Company undertakes to comply with a variety of security regulations designed to protect classified or confidential information. Each employee is charged with the responsibility to properly safeguard any classified and confidential information under the employee's custody and control and fully comply with all applicable security regulations.

### **Discrimination and Harassment**

The diversity of the Company's employees is a tremendous asset. The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. You should consult the Company's separate, more detailed Equal Employment Opportunity and Sexual Harassment Policies and the Director of Legal Services with any questions you may have.

### **Workplace Violence**

The Company will not tolerate workplace violence. Acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect the Company or its employees, will not be tolerated.

### **Alcohol and Drugs**

You may not use, sell, possess, purchase, or transfer alcohol or illegal drugs on Vishay premises, in Vishay vehicles or during work hours. The only exception is that alcohol may be consumed by people of legal drinking age at company-sponsored functions that are approved by the

management. You also must not be under the influence of illegal drugs or alcohol during work hours, regardless of when the drugs or alcohol were consumed. It is also a violation of this Code to sell, transfer or distribute personal prescription drugs on Vishay premises, in Vishay vehicles, or during work hours.

### **Government Proceedings and Requests for Information**

From time to time, employees may receive requests (either in writing or orally) from government agencies concerning the Company's business. All information employees provide in response to such requests must be truthful and accurate, and employees must not obstruct or impede such requests. Employees must not alter, falsify, mutilate, cover up or destroy any documents or records that are responsive to a government request or investigation. If you are asked to provide information concerning the Company's business for a government investigation, contact your supervisor or the Director of Legal Services. This Code should not be construed to prohibit you from testifying, participating or otherwise assisting in any state or federal administrative, judicial or legislative proceeding or investigation.

### **Employee Communications**

The Company conducts its relations with its employees in a manner intended to create an atmosphere of mutual respect and understanding. Accordingly, in addition to normal and routine employee reporting procedures, the Company has established a mechanism for any employee to report, without fear of retaliation for using the procedure, any practice occurring within the Company that the employee believes is not in compliance with the Company's policy directives.

### **Summary**

The Company and its employees are committed to maintaining the highest ethical standards. It is the responsibility of each of us to govern our conduct by this Code of Business Conduct and to see to it that the Code is followed.

**Acknowledgment** As a condition of employment, all employees will be asked to sign a form which states:

**“I have received and read the Code of Business Conduct and understand that the Code represents Vishay policy.”**

All employees will be required to sign a new form each time the Code of Business Conduct is revised or redistributed.

**Discipline** Violation of the Code, whether for individual or corporate gain, will not be tolerated. Violations will be met with the appropriate discipline, in accordance with Company policy, up to and including dismissal. In addition, violation of the Code may subject you as well as the Company to sanctions including monetary penalties, prison sentences, and suspension or debarment from doing business with the U.S. government.

## **Reports and Inquiries**

All reports of conduct in violation of this Code of Business Conduct and requests for clarification or questions of any type pertaining to this Code may be referred to any of the following:

1. Your Supervisor
2. Personnel Manager
3. Division Manager
4. Director of Legal Services — 610-251-5286
5. Corporate Ethics Director — 800-669-5256,  
or write to: Corporate Ethics Director  
Vishay Intertechnology, Inc.  
63 Lincoln Highway  
Malvern, PA 19355

To the extent permitted by law, and consistent with its enforcement objectives under this Code, Vishay will keep confidential the identity of anyone reporting a possible violation.

## **Investigating and Resolving Concerns**

All reports of possible violations will be forwarded to the Company's Corporate Ethics Director. The Corporate Ethics Director may, in his or her discretion, assume responsibility for evaluating any possible violation and directing or conducting any investigation or may delegate any portion of such responsibility to any person or entity within or outside the Company.

After conducting the investigation, the results will be evaluated, and the Company will authorize such response, follow-up and preventive actions, if any, as are deemed necessary and appropriate to address the substance of the reported possible violation. The Company reserves the right to take whatever action it believes appropriate, up to and including discharge of any employee determined to have engaged in improper conduct. The Company reserves the right to report illegal actions to the appropriate authorities, which may result in civil and criminal penalties.

Neither the Company nor any person associated with the Company shall discharge, demote, suspend, threaten, harass or in any other manner discipline, discriminate or retaliate against any person or entity because he or she reports any violations or cooperates in any investigation or inquiry regarding violations of applicable law or this Code using the methods outlined above, unless it is determined that the report was not made in good faith. Any such retaliation will warrant disciplinary action against the person who wrongfully retaliates, up to and including termination of employment.

**EMPLOYEE  
ACKNOWLEDGMENT**

I have received and read the Code of Business Conduct and understand that the Code represents Vishay policy.

I will adhere to and comply with this Code.

I understand that Vishay can, at its sole discretion, update or modify the Code.

I understand that the Code and this Acknowledgement do not constitute or give rise to any contract of employment or a guarantee or promise of any kind.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
EMPLOYEE'S NAME (Please Print)