

**Rockford Corporation**  
**Code Of Business Ethics And Policy**

**1. Goal and Application of this Code.**

- 1.1 High Ethical Standards. Every Rockford director, officer, and employee is responsible for conducting Rockford's business using the highest ethical standards. Rockford has adopted this Code to guide its directors, officers, and employees in their efforts to do business using the highest standards.
- 1.2 Interpretation. Rockford's directors, officers, and employees should interpret this Code consistently with Rockford's goal to use the highest standards. They should not adopt narrow interpretations that comply only with the letter of this Code, but should use interpretations that are consistent with its purpose.
- 1.3 Availability of Guidance. This Code cannot provide an answer to every ethical question that will face Rockford directors, officers, and employees. In cases of doubt, a director, officer, or employee should seek legal and other advice from Rockford's corporate staff and legal counsel. They are prepared to answer questions about the Code and to help in making decisions about matters not directly covered by the Code.
- 1.4 Application. This Code applies to Rockford and all of its Affiliates. References to Rockford include Rockford and all of its Affiliates. Affiliate is defined in section 3.2 below.

**2. General Ethical Standards.**

- 2.1 Quality. Rockford and its directors, officers, and employees will strive to maintain and improve the quality of the goods and services Rockford provides. They must not tolerate improprieties.
- 2.2 Compliance with Laws and this Code. Rockford's policy is to comply with all applicable laws, domestic and foreign. No Rockford director, officer, or employee may engage in any transaction or activity on Rockford's behalf, which would violate any applicable law or the ethical standards set forth in this Code.
- 2.3 Duty of Care and Supervision. Directors, officers, and employees are required to perform duties for Rockford honestly, in good faith, and with diligence. Those who have supervisory responsibility, including directors,

are required to use due care in supervising and periodically inquiring into the actions of those to whom day-to-day decisions are delegated.

- 2.4 Confidentiality. Directors, officers, and employees must keep confidential all information about Rockford activities, management, and transactions. They may not use, give to others, or help others use such information except in the course of their duties for Rockford or with Rockford's express written consent.

### 3. **Conflicts of Interest and Competition.**

- 3.1 Avoid Conflicts. Every director, officer, and employee should avoid situations or interests that interfere, or appear to interfere, with his or her judgment in exercising responsibilities for Rockford. This Code refers to such situations or interests as "Conflicts of Interest". The most common Conflicts of Interest include:
- (a) *Business Transactions*. Entering into any transaction to which Rockford is a party, including any sale, lease or exchange of property to or from Rockford.
  - (b) *Loans*. Lending or borrowing money to or from Rockford (other than normal expense advances in the ordinary course of business).
  - (c) *Compensation*. Paying or accepting compensation related to work for Rockford, other than salary and other compensation Rockford pays in the ordinary course of business to its directors, officers, and employees. (Note that a director does not have a Conflict of Interest on matters related to the payment of reasonable compensation to the directors for their service as directors; however, in such matters the minutes should reflect the presence of a quorum of the directors or compensation committee, the compensation or compensation policy proposed, and each director's vote).
  - (d) *Favors*. Accepting money or something of value in order to influence Rockford's decision about a transaction, loan, or compensation.
  - (e) *Competition*. Engaging, or having an interest, in an activity that is in competition with Rockford.
- 3.2 Affiliates. A director, officer, or employee may have a Conflict of Interest either directly, because of his or her own interests, or indirectly because of the interest of an "Affiliate". An Affiliate includes (1) the members of a person's immediate family and (2) any business enterprise in which a

person, or an immediate family member, is a director, officer, partner, general manager, substantial shareholder, beneficial owner, member, or owner of a direct or indirect financial interest.

3.3 What to do if a Conflict of Interest Cannot be Avoided. A director, officer, or employee who has a Conflict of Interest must take the following steps:

- (1) *Report.* Report the Conflict of Interest to Rockford's President or General Counsel, including full disclosure about the Conflict of Interest and why it exists.
- (2) *Avoid Participation.* Do not vote on, participate in, or attempt to influence any Rockford decision affected by the Conflict of Interest. If an Affiliate engages, or has an interest, in an activity that is in competition with Rockford, a director, officer, or employee should avoid receiving information about Rockford's competitive activities.
- (3) *Keep Information Confidential.* Keep all Rockford information confidential. A director, officer, or employee who has access to confidential information about Rockford may not (1) compete with Rockford, (2) participate in any Affiliate's activities that compete with Rockford, or (3) allow any Affiliate access to confidential information about Rockford

#### **4. Gifts, Contributions and Payments.**

4.1 Gifts and Entertainment. Directors, officers, and employees should not give or receive, directly or indirectly, payments, gifts, or other favors of more than nominal value (exceeding \$100.00, but see the note below about international transactions), or entertainment in excess of usual and reasonable limits, which (a) are in any way connected with the activities of Rockford or (b) might place the director, officer, or employee under an obligation to a third party in connection with Rockford activities. Rockford recognizes that what might be considered to be an excessive gift in the U.S. may differ from what local customs dictate in other parts of the world. When dealing internationally, it may be inappropriate to decline a gift when given. Directors, officers and employees who receive gifts of this nature must always report them to an Executive Officer or the General Counsel in order to make an ethical determination about the disposition of the gift. Directors, officers, or employees should follow the direction of the Executive Officer or General Counsel about disposition, which may allow the retention of the gift, its use for Rockford's benefit, or its donation to a charity.

- 4.2 Illegal or Unethical Payments. Directors, officers, and employees may not give, offer, or accept anything that could be construed as a bribe, kickback, or illegal or unethical payment in connection with Rockford or its activities. Any director, officer, or employee who receives such an offer or proposal must report immediately to Rockford's President or General Counsel.
5. **Benefits from Business Transactions.** Directors, officers, and employees, or their Affiliates, may not benefit personally from any Rockford purchase or sale of goods or services, or derive personal gain from business transactions involving Rockford, except when the circumstances have been fully disclosed to and approved by Rockford. Note that such transactions may also involve a Conflict of Interest. This does not prevent sales under Rockford's established programs for sale of its products to employees at discounted prices.
6. **Loans.** Directors, officers, and employees may not loan to or borrow from others who have a business relationship or compete with Rockford, except transactions with financial institutions in accordance with normal business practices.
7. **Outside Income.**
- 7.1 Outside Work. Officers and employees may not work for or receive income from any business enterprise other than Rockford unless the relationship has been disclosed to and Rockford has approved. This policy does not prohibit acceptance of dividends and interest from a public company if the dividends and interest are paid pro rata to all the public company's shareholders.
- 7.2 Outside Income. Directors, officers, and employees may not accept compensation from outsiders for services to or work for Rockford
8. **Use of Rockford Resources.** Directors, officers, and employees may not use, or permit others to use, Rockford employees, material, equipment, or other property for personal purposes.
9. **Insider Trading in Another Company.** Trading in Rockford stock is governed by a separate trading policy. If Rockford may buy or sell stock, bonds or assets of another company, then a director, officer, or employee who knows of this interest must refrain from (a) knowingly buying or selling stock or bonds in the other company for his or her account or for an Affiliate's account or (b) transmitting knowledge of Rockford's interest in the other company to any person except in connection with his or her responsibilities to Rockford. For example, if Rockford is considering buying another company, a director, officer, or employee may not buy the other company's stock.
10. **Business and Accounting Practice.**

- 10.1 Accurate Records. A director, officer, or employee who is responsible for any Rockford accounting or other records must maintain them, or cause them to be maintained, in such a way that they reflect the true nature of the transactions, account balances, and other information with clarity and completeness.
- 10.2 Unauthorized Accounts. A director, officer, or employee may not establish for any purpose an unauthorized, undisclosed, or unrecorded fund or asset account for Rockford's money or assets.
- 10.3 Irregular Transactions. A director, officer, or employee may not allow transactions to be structured or recorded in a way that is not consistent with normal business practice.
- 10.4 Advice. Employees should seek the advice of appropriate corporate officers, including Rockford's President or General Counsel where needed, in any case where unusual or questionable arrangements are proposed in connection with a Rockford transaction.
11. **Anti-Trust Compliance**. In compliance with the anti-trust laws, Rockford's policy is to independently determine the cost and other terms for its goods and services. No director, officer, or employee should discuss cost or other terms for goods and services with any Rockford competitor.
12. **Questionnaire and Reports**. Rockford has prepared a statement and questionnaire to help it implement this Code.
  - 12.1 Regular Reports. Each director, officer, and employee is required to complete a statement and questionnaire annually.
  - 12.2 Other Use. A director, officer, or employee may also use the statement and questionnaire to report new information as the information arises.
  - 12.3 Compliance. All directors, officers and employees must execute the statement and questionnaire as required and abide by the provisions of this Code.
  - 12.4 Reports. The President or General Counsel will give the Board of Directors a summary of reported Conflicts of Interest, and of other information gathered under this Code, at least annually.