

Plan-les-Ouates, 16 January 2014

To our Stakeholders:

We are pleased to confirm that LEM supports the Ten Principles of the United Nations Global Compact. This commitment to apply the Ten Principles related to Human Rights, Labour, Environment and Anti-Corruption is embedded everywhere in LEM, from our strategy to our recurring actions.

As in 2012, we reviewed our Risk Management in all the fields of Human Rights, Labour, Environment and Anti-Corruption in 2013. As usual, we performed audits of our suppliers on the respect of Ten Principles of the United Nations. Internally, we carried out frequent Health & Safety audits and successfully passed ISO 9001 and 14001 audits for our manufacturing sites and will apply soon for our Bulgarian plant opened mid-2013.

Also, the Ten principles are part of the agenda of our yearly worldwide management meetings. In 2013 for example, LEM has put a special emphasis on the following aspects:

- We designed a brand new Code of conduct, relying heavily on United Nations' guidance and best practices. This code will be applicable to all employees and business partners in 2014. But our employees and business partners can already share any of their concerns with the Top Management, through the address speakup@lem.com.
- We defined all the audit criteria and rules (related to quality, traceability, ISO, Reach, Conflict Minerals) applicable to our suppliers in our Supplier General Requirement Manual
- Moreover, we kept on training our employees on Health & Safety matters, or on the Globally Harmonized System of Classification and Labelling of Chemicals.

Finally, LEM is at the heart of renewable activities and sustainable development. Indeed, we develop and manufacture components in order to measure and reduce energy consumption in customer applications, whether electrical motors, hybrid vehicles or environmentally-friendly technologies (such as windmills or solar), having in mind eco-design, minimum consumption and maximum recyclability principles.

As usual, we will make this statement available to our employees and business partners on our website. On this strong basis, we look forward to further reinforcing our adherence to Ten Principles of the United Nations Global Compact in 2014 and contributing to a better LEM and a better world.

Sincerely yours,

A handwritten signature in black ink, appearing to read "FGabella".

François Gabella
Chief Executive Officer