

Plan-les-Ouates, 16 January 2015

To our Stakeholders:

For 2015, we are pleased to confirm that LEM fully supports the Ten Principles of the United Nations Global Compact.

In 2014, major progress was made on LEM's adherence to the United Nations Global Compact.

First of all, we successfully implemented our new Code of Conduct company-wide, demonstrating how much LEM is committed to good business practices on all the Ten Principles of United Nations Global Compact.

Before employees signed LEM's Code, all of them got extensively trained and the consequent evaluations showed excellent results.

More than 350 business partners of LEM contributed to our compliance efforts also by signing our Code of Conduct.

Then, individually for each area of the Global Compact:

#### 1. Human Rights

- LEM already applies the Dodd-Frank Act Section 1502 related to Conflict Minerals, declaring smelters origins for the "3TG" (minerals called Tungsten-Tin-Tantalum-Gold).

#### 2. Labour

- We surveyed all employees on their personal well-being and satisfaction. More than 3/4 participated and anonymous replies show very good and continually improving results since last 2012 survey.

#### 3. Environment

- We optimize each new product family's footprint in a document called product environmental profile. We are so proud of our results in terms of material consumption, packaging and end-of-life recyclability that we systematically share this product environmental profile on our website.
- Our new Bulgarian production site got ISO 14001 certified.
- Thanks to a closed water circuit, our Swiss production site reduced its 2014 water consumption by 65%.
- Last but not least, LEM is intrinsic at the heart of renewable activities and sustainable development. Indeed, we develop and manufacture components that are key to measure and reduce energy consumption in customer applications, whether electrical motors, hybrid vehicles or environmentally-friendly technologies (such as windmills or solar).

#### 4. Anti corruption

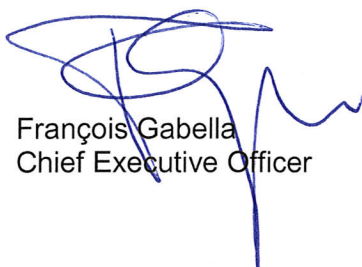
- According to the abovementioned survey, employees anonymously state that our core value "integrity" has increased.



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 2015 and contributing to a better LEM in a better world.

Sincerely yours,

A handwritten signature in blue ink, appearing to be "FG", with a long vertical line extending downwards from the bottom of the signature.

François Gabella  
Chief Executive Officer