

SAFE HARBOR POLICY FOR TRANSMISSION TO THE U.S. OF HUMAN RESOURCE DATA FROM BUSINESSES LOCATED IN THE EUROPEAN UNION

Policy Statement

Pulse Electronics acknowledges the EU's standard for personal data protection. Pulse Electronics has a need to extract and compile the Human Resource Data of employees in the EU. This Policy addresses the privacy concerns of European employees and the business concerns of Pulse Electronics.

To affect this Policy, Pulse Electronics adheres to the United States Department of Commerce Safe Harbor Principles and self-certifies on an annual basis to the United States Department of Commerce compliance with the Safe Harbor Principles. This Policy applies to all Human Resource Data transmissions from Pulse Electronics operations in EU countries to the United States. This includes transmission of data over phone lines, computer lines, and in hard copy, and includes such material as human resources and payroll records, and any material that identifies a particular individual employee.

The use of EU employee personnel data includes global enterprise headcount reporting, statistical analysis, compensation planning and related transactions, staffing, international personal security issues, law enforcement inquiries, U.S. Government agency inquiries and mergers, acquisitions and divestitures.

Guidelines

Pulse Electronics has adopted the seven Safe Harbor principles of notice, choice, onward transfer (transfer to third parties), access, security, data integrity and enforcement with respect to Human Resource Data to be transferred to the U.S. from Pulse Electronics operations in the EU.

- 1. Notice:** Pulse Electronics collects Personal Information for, among other reasons, human resource management such as payroll administration, filling employment positions, maintaining accurate benefits records, meeting governmental reporting requirements, security, company

network access, authentication and Global Headcount. Pulse Electronics does not request or gather information regarding political opinions, religion, philosophy, or sexual preference. To the extent Pulse Electronics maintains information on an individual's medical health or ethnicity (only for countries where it is legally required) Pulse Electronics will protect, secure and use that information in a manner consistent with this Policy and law.

If Pulse Electronics collects Personal Information directly from individuals, it will inform them about the purposes for which it collects and uses Personal Information about them, the types of non-Agent Third Parties to which Pulse Electronics discloses that information, and the choices and means Pulse Electronics offers individuals for limiting the use and disclosure of their Personal Information. Notice will be provided in clear and conspicuous language when individuals are first asked to provide Personal Information to Pulse Electronics, or as soon as practicable thereafter, and in any event before *Pulse Electronics uses the information for a purpose other than that for which it was originally collected*. Pulse Electronics may disclose Personal Information if required to do so by law or to protect and defend the rights or property of Pulse Electronics.

2. Choice: Pulse Electronics will offer individuals the opportunity to choose (opt-out) whether their Personal Information is: (a) to be disclosed to a Third Party which is not an Agent; or (b) to be used for a purpose other than the purpose for which it was originally collected or subsequently authorized by the individual.

For Sensitive Personal Information, Pulse Electronics will give individuals the opportunity to affirmatively and explicitly (opt-in) consent: (a) to the disclosure of the information to a non-Agent Third Party; or (b) the use of the information for a purpose other than the purpose for which it was originally collected or subsequently authorized by the individual. Pulse Electronics will provide individuals with reasonable mechanisms to exercise their choices should requisite circumstances arise.

3. Onward transfer - (transfer to third parties) - Prior to disclosing Human Resource Data to a third party, Pulse Electronics applies the notice and choice principles, enumerated above.

Pulse Electronics will ensure that any third party keeper of Human Resource Data also subscribes to the Safe Harbor Principles or any other EU adequacy finding. Pulse Electronics will also enter into written agreements with such third parties requiring them to provide at least the same level of personal data protection as is maintained by Pulse Electronics.

4. Access and Correction: Upon request, Pulse Electronics will grant individuals reasonable access to Personal Information that it holds about them. In addition, Pulse Electronics will take reasonable steps to permit individuals to correct, amend, or delete information that is demonstrated to be inaccurate or incomplete (except when the burden or expense of providing access would be disproportionate to the risks of the individual privacy in the case in question or if the rights of persons other than the individual would be violated). Any employee that desires to review or update his or her Personal Information can do so by contacting their local human resources representative. If the employee is not satisfied with the response of the local human resources representative, the employee should submit a written description of the matter to the Global Human Resources Manager.

5. Security: Pulse Electronics will take reasonable precautions to protect Personal Information in its possession from loss, misuse and unauthorized access, disclosure, alteration and destruction. Pulse Electronics limits access to Personal Information and data to those persons in Pulse Electronics' organization, or as Agents of Pulse Electronics, that have a specific business purpose for maintaining and processing such Personal Information and data. Any individuals who are granted access to Personal Information will have been made aware of their responsibilities to protect the security, confidentiality, and integrity of that information and will have been provided training and instruction on how to do so.

6. Data Integrity: The Company will collect only Personal Information which is relevant for the purposes for which it is to be used. The Company will take reasonable steps to ensure that Personal Information is relevant, accurate, complete, and current, to its intended use.

7. Enforcement - To ensure compliance with these Safe Harbor Principles, Pulse Electronics will:

- a. Cooperate with the Data Protection Authorities (DPAs) of the EU countries in the investigation and resolution of complaints and comply with advice given by DPAs;
- b. Periodically verify Pulse Electronics' compliance with the Safe Harbor Principles;
- c. Remedy issues arising out of any failure to comply with the Principles. Pulse Electronics acknowledges that its failure to provide an annual self-certification to the Department of Commerce will remove it from its list of participants and the transfers of information will not be allowed unless Pulse Electronics otherwise complies with the EU Data Protection Directive.

The Pulse Electronics Human Resources Director & IT Manager are the internal mechanisms for ensuring compliance with the Safe Harbor Principles and facilitating the independent recourse mechanism referenced in item 7 above of this Policy.

8. Effective Date and Changes to this Safe Harbor Privacy Policy

The practices described in this Policy are the current Personal Information protection policies as of September 21, 2011. Pulse Electronics reserves the right to modify or amend this Policy at any time consistent with the requirements of the Safe Harbor Principles. Appropriate public notice will be given concerning such amendments.

Definitions

European Union - The European Union (EU) consists of 15 member countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Human Resource Data - (for the purposes of this policy) - Any human resource information relating to an identified or identifiable natural person who is a Pulse Electronics employee and who can be identified, directly or indirectly, in particular by a reference to an identification number or to one or more factors specific to his or her physical, physiological, mental, economic, cultural or social identity.

Self-Certification to the Department of Commerce - Pulse Electronics must certify to the U.S. Department of Commerce that it abides by the Safe Harbor Principles. Pulse Electronics must also state annually in its published privacy policy statement that it adheres to the Safe Harbor.

Sensitive Data - Sensitive data is data that pertains to racial or ethnic origin, political opinions, religious or philosophical beliefs, trade union membership, health, sexual orientation or alleged commission of any offense. This data may not be transferred unless an individual gives explicit consent.

Responsibilities

Questions regarding the transmission of Human Resource Data from the European Union (EU) to the United States or any other non-EU location, or any further transmission of the personnel data once received in the United States, should be referred to the Pulse Electronics Human Resources Manager, Janis Eoff. Pulse Electronics must annually, in writing, certify to the Department of Commerce that it adheres to the Safe Harbor Principles.