

Section Name: CORPORATE POLICIES – LAW
Section No: 7
Policy No: 7.10

Date: 02/14
Supersedes: 09/12

Subject INSIDER TRADING

No officer, director or employee of the Company shall, for personal benefit or that of others, use or disclose "material, nonpublic information,"* including but not limited to information concerning the Company or acquired as a result of his or her relationship with the Company. These individuals may not purchase or sell stock or other securities based upon such information, whether or not it is considered confidential.

Furthermore, except as permitted by Section 306 of the Sarbanes-Oxley Act of 2002 and Regulation BTR, no director or executive officer may, directly or indirectly, purchase, sell, or otherwise acquire or transfer any stock of the Company during any blackout period.

Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts, allow an individual to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the individual to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs by an officer, director or employee in relation to the Company's stock, the individual may no longer have the same objectives as the Company's other stockholders. Therefore, officers, directors and employees are prohibited by this policy from engaging in hedging transactions involving the Company's stock.

Purchasing the Company's stock on margin means borrowing from a brokerage firm, bank or other entity in order to purchase the stock (other than in connection with a cashless exercise of stock options under the Company's stock option and incentive plans). Directors and officers are prohibited – and all non-officer employees are strongly discouraged – by this policy from purchasing the Company's stock on margin or pledging the Company's stock as collateral to secure loans. This means, among other things, that directors and officers are prohibited – and all non-officer employees are strongly discouraged – from holding the Company's stock in a "margin account" (which would allow them to borrow against their holdings to buy securities).

PROCEDURE

1. Each officer, director and employee possessing material, nonpublic information obtained as a result of his or her relationship with the Company shall hold such information in confidence and shall refrain absolutely from trading in Company securities ("Company stock") and the stock or securities of other companies that might be affected by such information until such time as the information has been publicly disseminated. (Changes in the level of participation in the Company Stock Fund in the Company's Employee Savings Plan ("401(k) Plan") and the transfer of funds into or out of the Company Stock Fund should be treated as purchases and sales of Company stock.) Cash exercises of stock options are excepted from this prohibition, but not the sale of stock obtained upon such exercise.

* "Material, nonpublic information," sometimes referred to as "inside information," includes any information not yet public the knowledge of which could reasonably be expected to affect an investor's decision to purchase, sell or hold Company stock or which, if generally known, could be expected to affect materially the price of Company stock. Information generally considered material includes:

- Company or unit financial results or projections, especially sales, profits or earnings per share;
- Dividend changes or changes in dividend policy;
- Stock splits or stock dividends;
- Public or private offerings of debt or equity securities;
- Repurchases, calls or redemptions of Company stock;
- Changes in membership of Board of Directors or certain executive management;
- Changes in Company control;
- Purchases/sales of significant assets or significant mergers, acquisitions or divestitures;
- Acquisitions/losses of material contracts; or
- Any other event requiring that a current report on Form 8-K be filed with the SEC (e.g., bankruptcy or receivership; certain off-balance sheet arrangements; material impairments; securities exchange delisting events; unregistered sales of equity securities; material modifications to rights of security holders; changes in accountants or non-reliance on previously issued financial statements; amendments to certificate of incorporation or bylaws; amendments to the code of ethics applicable to SEC-certifying officers or waiver of a provision thereof; results of votes of security holders; and any other event deemed by the Company to be material to security holders).

Depending on the facts and circumstances, other information could be considered "material", including, for example, the following:

- Significant capital budget changes;
- Material litigation developments;
- Major technological breakthrough or inventions; and
- Significant new products.

Other events may or may not be considered "material" depending on the size of the transaction or event in relation to the Company, the specificity and reliability of the information, and/or whether the information would be considered surprising in relation to the Company.

2. Officers, directors and employees in possession of inside information shall not disclose or permit to be disclosed such information to persons outside the Company, other than as required in the course of performing their corporate duties.
3. Officers and employees who violate this policy, for example by trading on inside information or by passing such information on to others (including family members) or engaging in hedging transactions involving the Company's stock, may be subject to disciplinary action (including termination of employment). In addition, violation of insider trading laws may result in civil and criminal prosecution of the individual, and may subject the Company to civil and criminal liability as well.
4. Company officers shall take appropriate steps to ensure that employees possessing inside information are aware of this Company policy and the laws concerning insider trading.
5. Company officers shall directly or indirectly through a registered broker obtain the approval of the General Counsel or the Section 16 Compliance Officer prior to

effecting any transaction in Company stock (including those of immediate family members, but excluding an option exercise for cash).

6. Personal exposure may be minimized when purchases or sales are executed in a "window period," which generally begins on the second business day following the Company's issuance of its quarterly earnings release and ends at the close of business on the Friday that is fifteen days before the last Saturday of the month in which the Company's fiscal quarter ends (i.e., as applicable, the next March, June, September or December). This practice is recommended for all employees and is required for officers and directors. Options can be exercised for cash without concern as to timing, although it is strongly recommended for officers and directors that stock-for-stock option exercises take place only during a window period. The schedule of window periods may be obtained from the Law Department.
7. For the purpose of this Policy, the term "blackout period" means any period of more than three consecutive business days during which the ability of not fewer than 50 percent of the participants or beneficiaries under all individual account plans in the 401(k) Plan to purchase, sell, or otherwise acquire or transfer an interest in any Company stock held in such an individual account plan is temporarily suspended. In addition, the Company shall have the right to impose, without notice, a special blackout period during which participants or beneficiaries under all individual account plans in the 401(k) Plan and other Company equity plans be prohibited from purchasing, selling or otherwise effecting transactions in Company stock, even though a window period would otherwise be in effect.
8. Except for the special blackout period described in paragraph 7, in the event of an impending blackout period, the Company will provide notice to employees, officers and directors.

Updates:

Law Department

References:

Corporate Principle:

1.1, Legal and Ethical Conduct

Corporate Policy:

6.3, Financial Public Relations and Disclosure

Attachment:

[ADC Stock Option and Stock Transaction Policy for Directors and Executive Officers](#)

Related Topics

Section Name	Policy No	Subject
CORPORATE POLICIES – COMMUNICATIONS	6.3	Financial Public Relations and Disclosure
CORPORATE POLICIES – MANAGEMENT	3.5	Acquisitions, Divestitures and Significant Business Transactions
CORPORATE PRINCIPLES	1.1	Legal and Ethical Conduct