

Code of Conduct

**Guide to legal and ethical standards
for all employees**

December 2013

Dear Colleague:



We may have a new logo and name, but we're not new, and what we do is far from ordinary. Becoming Allegion was a pivotal moment marking the birth of a new company and new values to define our culture. This is just the beginning.

At Allegion, we create peace of mind by pioneering safety and security. People depend on our products and solutions to work seamlessly at critical moments – when property and personal safety are at stake. We make the world safer through our expertise and the incredible quality and value of our products. It's our people that make this a reality. That is why our values focus on simple but powerful concepts that make our people so effective – taking initiative, being accountable, being passionate and enjoying our work.

Our Code of Conduct provides fundamental rules that align with our values and ensure that we embody them in everything we do. Each and every one of us must be familiar with and adhere to our Code – no exceptions.

Some of the rules in our Code reinforce legal imperatives in the places where we do business. More importantly, all of these rules mirror our commitment to a value that anchors all of our values – doing the right thing. It helps us create lasting trust between the company and all our stakeholders, and avoid the legal, regulatory, financial and reputational costs that come with non-compliance.

If you ever have a question or concern about an ethics or compliance issue, promptly raise it. When in doubt, please ask! As explained in the Code of Conduct, there are a variety of ways for you to raise an ethics or compliance question or concern; and you will not suffer negative consequences for speaking up truthfully about a concern. To the contrary, raising issues is essential when you are not sure about the right thing to do, or if you suspect someone else is not living up to our values. By following the Code and speaking up when necessary, each of you safeguards Allegion's commitment to do the right thing and enables us to achieve enduring results.



David D. Petratis
Chairman, President and Chief Executive Officer

Code of Conduct

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Overview

All policies and procedures referenced in this Code of Conduct can be found on the Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>

This Code of Conduct details Allegion's enduring core values. It embodies and describes Allegion's commitment to lawful and ethical conduct wherever we do business. The Code is applicable to all Company officers and employees, as well as to directors when they are acting in connection with their Allegion-related duties (officers, employees and directors are referred to together in this Code as "employees"). The Code is an important framework not only for how we do business with customers and suppliers, but for how we treat one another at the workplace as well. The Code also embodies the ethical standards expected of Allegion by other external stakeholders, including our shareholders, the communities in which we operate and government regulators. All employees of Allegion should take the time to familiarize themselves with the Code's provisions.

As a Company with global operations, we follow the laws and regulations of each location where we operate. Failure to comply with applicable law may subject the Company and the individual(s) involved to substantial civil and criminal penalties. However, your obligation as an Allegion employee is not merely to follow local law. Your obligation is to follow the single global standard for ethical conduct at Allegion detailed in this Code in order to sustain the long-term value of our Company. Indeed, where the specific requirements of this Code go beyond what is required by law, you must follow the higher standard set out by this Code. The Company does not believe that honoring your commitments under this Code should ever place you in the position of *violating* a conflicting requirement of law. However, should you ever believe that following a Code requirement will subject you or the Company to legal liability in one of the locations in which we do business, please consult with a member of the Legal Department or the Chief Compliance Officer.

Some issues are addressed in the Code with detailed guidance. However, the Code cannot, and indeed does not even attempt, to list "dos" and "don'ts" for every fact-specific ethical and legal issue you may face as an Allegion employee. By detailing the spirit of the Company's core values, however, the Code should help you think through the ethics and compliance issues Allegion employees face in order to come to the right decision. Moreover, where appropriate, the Code will direct you to other more detailed Company policies and procedures to help you address ethics and compliance issues. Finally, you should always contact an appropriate Company resource to assist you with any ethics or compliance question, including but not limited to a the Chief Compliance Officer or the Legal Department. Please consult with these resources, as some situations may not only be subtle and difficult, but may not only present one right answer.

On rare occasions, a waiver of the Code may be granted, in writing, under certain circumstances. Any waiver of the Code of Conduct for any executive officer or director requires the approval of the Company's Board of Directors.

From time to time there may be revisions to the Code. You will be notified of any changes and are expected to familiarize yourself with the revisions. If you have difficulty accessing policies and procedures referenced in this Code, please contact your Human Resources representative.

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Our Values

Allegion can be most successful when all employees work towards a common purpose and share common values. Our shared culture helps us consistently act in the best interests of our customers, our shareholders, our communities, and ourselves.

This shared culture is based upon a set of Values:

- Serve others, not yourself
- Do the right thing
- Be curious beyond the obvious
- Have a passion for excellence
- Enjoy what you do and celebrate who we are
- Be safe, be healthy
- Be empowered and accountable
- This is your business, run with it.

Code of Conduct

Raising Ethical Issues

Each employee has an obligation to promptly report any known or suspected violations of the Code. If you are in doubt about whether a situation or behavior violates the Code, or if you simply have a question about the Code or an ethics issue, you can seek guidance as described below or contact the Ethics HelpLine.

Employees have the option of reporting concerns anonymously, unless restricted by local privacy laws. Employees in the European Union must read the Special Note for Employees Located in the European Union section at the end of the Code. Company policy strictly prohibits any retaliation for reporting in good faith under this policy. Any such retaliation is itself a violation of the Code and will result in appropriate discipline, up to and including termination of employment.

The Company has established the following procedures for reporting concerns or seeking guidance under the Code:

1. An employee with a need for help or information concerning this Code may discuss that need with his or her immediate supervisor.
2. If an employee prefers, he or she may contact your Human Resources representative, any member of the Legal Department, or local management.
3. An employee may contact the Chief Compliance Officer at EthicsandCompliance@allegion.com in order to seek advice concern ing the Code or to report known or suspected violations.
4. An employee may communicate his or her concerns (anonymously or otherwise) by writing to:
Chief Compliance Officer
Allegion plc
11819 N. Pennsylvania Street
Carmel, Indiana 46032
United States of America
5. Employees in the U.S. and Canada may report known or suspected violations of the Code using the Ethics HelpLine at 1.855.807.3267. Employees in other locations can find a list of country-specific toll-free numbers in the section “Where to Find Help” at the end of the Code. Employees may call anonymously except where restricted by local privacy laws. Where so restricted, the system will prompt you accordingly.
6. Employees may also report known or suspected violations of the Code through the Ethics HelpLine website: <http://www.allegion.com/helpline>.

Our Ethics HelpLine is staffed by an independent organization. When you contact the Ethics HelpLine, an interviewer will document the situation you report in detail. Except in certain instances where restricted by local privacy laws, you do not have to give your name, although it is strongly suggested that you do so, as it may assist the investigation. If you prefer to remain anonymous, you will receive a reference number at the end of your call or online report. This will allow you to call or log back in at a later time to add any additional information to your original report or to find out if Allegion has any further questions for you, which may assist in the investigation.

We ask all employees to report all incidents immediately, as the failure to take action regarding a possible violation within a reasonable period may lessen our ability to correct the issue in an effective and timely manner and may expose the Company to liability.

Frequently Asked Questions

What should I do if my manager asks me to do something that I think is wrong?

Allegion trusts you to use your best ethical judgment in the actions you take on the Company's behalf. If you are told to do something that you believe is wrong, take time to evaluate the situation based on your knowledge of our values. A first course of action may be to read through the Code again. Secondly, you may wish to express your concerns directly to your Human Resources representative or manager. Lay out your concerns openly and honestly. If you prefer, you can always contact the Ethics HelpLine or any of the other resources discussed above. After following these steps, if you still believe that what you have been told to do is wrong, do not do it.

The Company sets various goals that we are supposed to achieve. Sometimes I feel pressured to violate the Code to achieve these goals. Is this acceptable?

No. While successful businesses often set high goals and strive to achieve them, you should never violate the law, the Code of Conduct, or other Allegion policies to achieve Company goals.

Penalties for Violations

Employees who violate the Code may be subject to disciplinary action up to and including termination of employment (as consistent with applicable law). The following are examples of conduct that may result in discipline:

- Actions that violate a Company policy, the Code of Conduct, or applicable law.
- Requesting, encouraging, or permitting others to violate a Company policy, the Code of Conduct, or applicable law.
- Failure to promptly report a known or suspected violation of the Code, law, or regulation.
- Failure to cooperate fully with Company investigators or auditors.
- Retaliation against another employee or third party for reporting a policy or Code violation in good faith or for cooperating with a Company investigation.
- For managers and supervisors, failure to use reasonable care to prevent or detect a violation or otherwise failing to demonstrate the leadership and diligence needed to ensure compliance with the Code or Company policies.

No permanent disciplinary action shall be taken for Code violations without first contacting the Chief Compliance Officer, unless the disciplinary action relates to (1) a human relations issue (substance abuse, sexual harassment, or other employee relations issues traditionally addressed by Human Resources); or (2) environmental health and safety issues.

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Responsibility to Each Other

Our Individual Commitments

Each and every employee of the Company has a responsibility to:

- Read and understand the Code, and take note of any updates to the Code.
- Comply with the Code in both letter and spirit.
- Ask a manager/supervisor, a Human Resources representative, the Chief Compliance Officer, or the Legal Department if unsure about the proper thing to do.
- Promptly report any known or suspected violations of the Code or requests that might constitute violations using the procedures described in the Code.
- Cooperate with any internal investigation of any reported violations of the Code.

Managers and supervisors have the additional duties to:

- Create an atmosphere that is conducive to promoting the highest standard of lawful and ethical behavior and which allows employees to ask questions and raise concerns.
- Monitor compliance with the Code and other Company policies of employees they supervise, and ensure that employees are aware of any revisions or updates to the Code.
- Demonstrate a commitment to the Code through their words and actions.
- Always treat their fellow employees with respect.
- Ensure that those they supervise have completed required compliance training and look for additional ways to communicate the Code and other Company policies.
- Ensure that those they supervise know where and when to report violations and that there will be no retaliation for any such reports made in good faith.

Key Points

Responsibilities of Employees

- Read and understand the Allegion Code of Conduct.
- Comply with the Code in letter and spirit.
- Promptly report any known or suspected violations of the Code.

Employee Relations

Overview

Allegion expects all employees to value the diverse backgrounds of their fellow employees and to create and maintain an environment in which ideas can be expressed freely with mutual trust, honesty and respect.

Only by valuing differences can we achieve a high standard of excellence that will consistently meet or exceed the expectations of customers, shareholders, employees, and the communities in which we live and work. Bias, discrimination, or harassment based upon race, color, religion, belief, gender, age, national or ethnic origin, sexual orientation, disability, military service, marital status, or any legally protected status prevents us from achieving this objective, and therefore must not be a part of our business practices. This policy applies to all phases of employment, including the hiring of new employees, training, development, compensation, promotions, demotions, transfers, layoffs, and terminations. Regardless of where we work, Allegion will take appropriate disciplinary action against any employees engaging in practices that violate our standards prohibiting discrimination and harassment.

Intimate personal relationships between supervisors and subordinates are prohibited. This includes a dating relationship with any person subject to that person's scope of supervision, influence, or the ability to affect the terms, conditions or status of the subordinate's employment. Any situation that you become aware of must be immediately disclosed to your Human Resources representative.

My Obligations as an Employee

- I will value and respect the differences in and diversity of our fellow employees.
- I will provide a work environment free of harassment.
- I understand that any form of sexual harassment, sexually oriented gestures and statements, and the display or circulation of sexually oriented videos, pictures, cartoons, or jokes are prohibited.

Frequently Asked Questions

Isn't diversity just a U.S. issue? Why include it in the Code for a global company like Allegion?

Valuing and treating colleagues who are different from ourselves with dignity and respect is a global initiative. To make good decisions that allow us to serve our customers around the world we need a broad spectrum of perspectives, skills, educational levels, and backgrounds.

A colleague of mine is upset and tells me that a co-worker is constantly telling off-color jokes. She is afraid to speak up. What should she do?

Your colleague should tell the co-worker that these jokes are offensive to her and ask the co-worker to stop or she will report the behavior. If your co-worker does not stop, then you should report what your colleague has told you to your manager, your Human Resources representative or the Ethics HelpLine. These jokes do not appear to be appropriate for the professional, mutually respectful work environment Allegion seeks to promote. Further, depending on the exact surrounding circumstances and applicable law, these jokes might even be viewed as potentially contributing to harassment. It is absolutely critical for the Company to take steps to stop offensive or improper behavior immediately.

One of my co-workers has a screen saver on her computer that shows pictures of men in revealing clothing. I told her that it offends me and asked her to remove the screen saver. She says because it is in her office and not in a common area that it's okay. Is she right?

If the screen saver is offensive, your co-worker should not be displaying it, regardless of whether she sits in an office or a common area. As described, the screen saver in question appears to be inappropriate to a professional working environment. You can report your co-worker's refusal to remove the screen saver to your manager, your Human Resources representative or the Ethics HelpLine. Similarly, if you are unsure whether particular material is truly inappropriate or offensive, please consult with Human Resources and/or the Legal Department.

It is common during work for my co-workers to make jokes about certain races. Am I being overly sensitive when I ask them to stop?

Humor is an important element of life, both inside and outside of the workplace. However, it is not acceptable to make fun at the expense of others based on national, ethnic, or other differences, because it can be offensive and is not consistent with our core values. Such behavior, even if not intended as an offense, is not acceptable. If you have asked your co-worker to stop and the jokes or comments continue, you should discuss the issue with your manager or Human Resources representative, or call the Ethics HelpLine for guidance.

Where can I find more information/help?

Contact the Human Resources Department for more information, or consult the Policy Prohibiting Harassment and the Global Human Rights Policy, available on *The Allegion Employee Intranet*

here: <https://allegion.sharepoint.com/inside-allegion/>

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Responsibility to Each Other

Drug and Alcohol Abuse

Overview

To meet our responsibilities to customers, shareholders and employees, Allegion must maintain a healthy and productive work environment. Misusing illegal or prescription drugs, even over-the-counter medicines, or selling, manufacturing, distributing, possessing, using, or being under the influence of illegal drugs, is absolutely prohibited. In addition, no employee may report to work or perform any job duties while under the influence of alcohol, illegal drugs, or prescription or over-the-counter drugs to the extent the prescription or over-the-counter drugs impair the employee's ability to perform his or her job duties.

The Company may sponsor events at which management approves the serving of alcoholic beverages. In these cases, all applicable liquor laws must be followed, and intoxication and excessive drinking are prohibited.

If you are taking medication which may impair your ability at work or may compromise your health and safety or that of your colleagues, you must notify your manager, supervisor, or Human Resources representative.

Any employee found to be under the influence of, using, selling, or possessing illegal drugs on Company property (or while conducting Company business) may be subject to disciplinary action, up to and including termination.

My Obligations as an Employee

- I understand that intoxication and excessive drinking are prohibited at Company-sponsored events.
- I cannot report to work or perform any job duties while under the influence of or impaired by alcohol or drugs.

Frequently Asked Questions

Can the company require me to take a drug or alcohol test while I'm on the job?

Our policy on drug testing varies by location. If tests are permitted by law or union contract, you may be required to submit to testing.

I suspect that my co-worker is abusing prescription drugs. Since this is not an illegal substance, should I tell someone?

Abuse of legally prescribed drugs can be as dangerous as abuse of illegal substances and can itself be a violation of the law in some places. Share your concerns with your supervisor, Human Resources representative, or the Ethics HelpLine.

Where can I find more information/help?

Contact the Human Resources Department for more information, or consult the Drug and Alcohol Policy available on *The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>*

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Responsibility to Each Other

Environment, Health and Safety

Overview

Allegion is committed to conducting its business in a manner that values the environment and helps to ensure the safety and health of its employees and the communities in which we operate. It is the Company's policy to comply with all applicable environmental, health and safety laws and regulations; to apply responsible standards where such laws or regulations do not exist; and to seek ways to achieve excellence in these critically important areas. Allegion strives to achieve sustainable business success for our employees, in our work places and within our communities, through world-class environmental, health and safety performance. Employees should immediately notify facility management, their EHS representative, the Vice President of Environment, Health and Safety, or the Ethics HelpLine of any conditions that either (i) appear to be a violation of environmental, health, or safety laws or regulations, or (ii) pose a danger to the environment, our employees, our facilities, or the communities in which we operate. Employees also should be aware and mindful of their use of resources and are encouraged to recycle, reduce energy use and eliminate waste wherever possible.

My Obligations as an Employee

- Know and follow the environmental, health and safety requirements of my job and obtain further information if I have any questions about such requirements.
- Handle, store and dispose of hazardous materials and toxic wastes with care in accordance with the law and with the Company's policies and procedures.
- Record and submit all environmental, health and safety reports accurately and completely.
- Use necessary safety and health practices to protect our employees and our contractors from injury.
- Communicate openly and honestly with all regulatory agencies.
- Notify and cooperate with appropriate authorities if an incident occurs which threatens the health, safety, security, or environmental surroundings of people in or around our plants.
- Do not bring a handgun, firearm, or weapon on Company premises. Possession of a handgun, firearm or weapon of any kind on Company premises is prohibited, regardless of whether or not I am licensed to carry such a weapon.

Frequently Asked Questions

Allegion's work safety standards exceed what is required in the country where I work and our competitors only follow local requirements. Shouldn't we do the same?

No. We must follow Allegion's safety policies. Allegion is committed to providing our employees with a safe and secure environment, even if local law permits a different approach.

My supervisor has instructed me to disable a safety device. What should I do?

Don't do it! Never bypass, disconnect, or disable any safety device or monitoring equipment without approval of the EHS representative or regulatory agency. Doing so may be a violation of law and expose you and other employees to accident or injury. You should also report the supervisor's improper instruction to the Ethics HelpLine, the Chief Compliance Officer, or to the supervisor's manager.

Where can I find more information/help?

Consult the Allegion Global Environmental, Health and Safety Manual, Allegion Global EHS Policy and Allegion Global EHS Requirements, available on *The Allegion Employee Intranet*

here: <https://allegion.sharepoint.com/inside-allegion/>

Conflicts of Interest

Overview

Every employee has a life outside of the work place, including interests and relationships. While on the job, however, Allegion expects that your first priority is to the Company, not to any external interest or relationship. Even when you are off-duty, the Company expects that you will not be involved in any activity that directly conflicts with Allegion, such as having a part-time job with one of our competitors. We expect every employee at every level of the Company to be free of any influence, interest, or relationship that might conflict with the best interests of our Company.

A conflict of interest can take many forms, but occurs when you put your personal, social, or financial interests before the best interests of the Company. Conflicts can arise even when the Company earns a profit from a transaction, for instance when you or a close relative has a personal, social, or financial interest in the transaction. Actual conflicts must be avoided, but even the appearance of a conflict can be harmful and must therefore be avoided. The appearance of a conflict of interest can undermine the trust of Allegion's customers, suppliers, employees, and other business partners. Any potential conflict should be promptly disclosed when you join Allegion, or any time thereafter a conflict arises, to your manager and the Chief Compliance Officer by completing the Conflicts of Interest Form, available on *The Allegion Employee Intranet*

here: <https://allegion.sharepoint.com/inside-allegion/> and emailing the form to your manager, copying EthicsandCompliance@allegion.com. Do not continue to be involved in the situation or circumstance giving rise to a potential conflict of interest without obtaining written guidance from your manager on how to proceed. Your manager will decide, in consultation with the Chief Compliance Officer as necessary, whether a conflict exists, whether to grant you an exception to the Company's conflict of interest policies and will provide you with guidance addressing how you should proceed. Allegion officers must have written approval from the Board of Directors granting an exception.

Conflicts disclosures should also be updated whenever any changed circumstances regarding a previously-disclosed conflict arise. If you have not previously disclosed or updated your conflict of interest disclosures, you should update your disclosures each time you are asked to certify your understanding and compliance with the policies in this Code of Conduct. But disclosure to your manager or the Chief Compliance Officer will not always be enough. Depending on the circumstances, and especially where external business partners are involved, sometimes the only way to resolve a conflict or potential conflict is to remove yourself from a particular work stream at Allegion. If that is not feasible, sometimes the Company may have to forego the opportunity to work with a particular external business partner. These situations can be tricky! Always use good judgment and ask for assistance when you are unsure if you face a conflict of interest situation or are resolving it properly.

My Obligations as an Employee

- I will promptly and completely disclose any circumstances that might constitute a conflict of interest under this Code.
- If I suspect that a conflict of interest or even the appearance of a conflict may exist, I will contact my manager so that the matter can be resolved promptly.
- As a supervisor, if I am asked to review conflict disclosures, I understand that I must also review the matter with the Chief Compliance Officer as necessary.
- Following disclosure, I must obtain written instructions from my manager, who will consult with the Chief Compliance Officer as necessary, either granting an exception to the conflict of interest policies or providing me with guidance on how to handle the conflict going forward.
- Even after obtaining approval, if my circumstances change to give rise again to a possible conflict, I will disclose such changes and seek approval again.

Where can I find more information/help?

For additional information or guidance, contact the Chief Compliance Officer. The Conflicts of Interest Disclosure Form is available on *The Allegion Employee Intranet* **here:** <https://allegion.sharepoint.com/inside-allegion/>

Key Points

A Conflict of Interest

- Influences or appears to influence your judgment when acting on behalf of the Company.
- Can result in you or a member of your family or a company in which you or a member of your family has an ownership interest competing against the Company in any business activity.
- Causes you to misuse Company resources on behalf of your own personal activities.

Family and Other Close Personal Relationships

Overview

Conflicts of interest may arise when an employee's family is involved. For instance, a conflict of interest can occur if you sell or offer to sell the Company's products or services at a lower price than otherwise would be obtained to a family member, a close friend, or a company in which a family member or friend has an ownership interest. At a minimum, these situations raise serious appearances of conflicts. You must not take on any Allegion-related business activity with a family member before disclosing it to your manager and the Chief Compliance Officer. Your manager, in consultation with the Chief Compliance Officer as necessary, will determine whether you may proceed. For example, you must disclose and await a written decision from your manager when a family member has an ownership interest in a supplier, customer, distributor, reseller, agent, or business intermediary of Allegion, or when the Company is contemplating awarding business to a family member or a business owned by a family member. In addition, employees should not supervise a family member, be under the supervision of, or be in a position to influence the salary or conditions of employment, or the expense report, of a family member.

Who is a "family member"?

A "family member" includes a spouse, child, brother, sister, parent, stepchild, stepparent, as well as mother-, father-, son-, daughter-, brother-, or sister-in-law, or a grandparent, aunt, uncle, niece, nephew, or cousin of yours or your spouse, and any other person living with you, except tenants and household employees.

You should also disclose situations involving close friends. For instance, if you have the opportunity to select a personal friend as a Company supplier or employee, that may create the appearance that your decision making is not based on the merits and in Allegion's best interests. The fact that you would obtain no financial benefit from hiring a friend is irrelevant; there is an appearance of a conflict that must be disclosed because the circumstances may suggest your decision making will be based on personal loyalty and not the Company's needs. Depending on the circumstances, you may need to withdraw from making hiring and retention decisions on behalf of Allegion where your friends are concerned.

My Obligations as an Employee:

- Do not enter into a business transaction or business activity with family members unless disclosed to my manager, who will consult with the Chief Compliance Officer as necessary.
- If possible, avoid situations where family members work in the same department or location.
- Make sure that job duties and overtime assignments are based on objective criteria and that pay decisions and job performance evaluations are handled by an independent person.
- Disclose situations in which Allegion job applicants, suppliers, or potential suppliers include members of my family or circle of friends; if necessary, remove myself from decisions and workflow involving these individuals.
- Following disclosure, I must obtain written instructions from my manager, who will consult with the Chief Compliance Officer as necessary, either granting an exception to the conflict of interest policies or providing me with guidance on how to handle the conflict going forward.

Frequently Asked Questions

Do the conflict of interest policies apply to distant relatives, such as cousins or in-laws?

Yes, potentially. If a relationship with a relative or friend could influence your objectivity you should apply the policies and avoid the potential conflict. Even if you do not think your objectivity would be influenced, depending on the circumstances a relationship with even a distant relative can create the appearance of a conflict, in which case you should disclose it.

My co-worker's son has just been hired for a job in our department. Does this represent a conflict of interest?

We do have some cases where relatives work in the same department. Although infrequent, when this occurs, we must ensure that raises and job performance evaluations are handled by a non-relative and the situation is monitored on an ongoing basis to ensure objectivity and fairness.

My spouse works for one of our suppliers. Is this a conflict of interest?

Our Code and our policies are not intended to interfere in our personal lives. However, this situation could be a problem if your job puts you in a position of selecting your spouse's company as a supplier, or even after being selected, if you have to deal with that company on behalf of Allegion. You should first disclose the situation to your manager and the Chief Compliance Officer using the Conflict of Interest Disclosure Form. Your manager will determine, in consultation with the Chief Compliance Officer as necessary, the best way to handle the situation. At a minimum, you must excuse yourself from participating in any decisions or negotiations with the supplier.

My spouse has a managerial position at a potential supplier that Allegion is seeking to use for an IT project. However, in my role I will not have any decision-making responsibilities as to which supplier is selected. Do I need to report anything?

Yes. All potential conflicts, or even the appearance of a conflict, can damage your reputation or that of the Company and therefore must be disclosed, using the Conflicts of Interest Disclosure Form, to your manager and the Chief Compliance Officer. If the supplier is later selected, you cannot be involved in any dealings with the supplier.

My best friend has applied for a job in my department. I think he's well qualified, and it sure would be nice to see more of him during the day. Can I participate in interviews and try to get him hired?

It depends, but first you must disclose this relationship to your manager and the Chief Compliance Officer using the Conflicts of Interest Disclosure Form. Even if you are permitted to assist in the hiring process, you may not be permitted to supervise your friend as an Allegion employee.

Where can I find more information/help?

Additional guidance on different conflict of interest situations is provided in the following sections: Outside Business Interests and Outside Employment, Relationships with Suppliers and Corporate Opportunities. For additional information or guidance, contact the Chief Compliance Officer.

Outside Business Interests and Outside Employment

Overview

Employees must avoid any investment, interest, association, relationship, or other outside business activity that interferes or appears to interfere with their acting in the Company's best interest. Some situations are clearly prohibited. An Allegion employee cannot negotiate both sides of a supplier or customer transaction by negotiating for both Allegion *and*, whether directly or indirectly, for the supplier. An Allegion employee cannot start a side business that competes with Allegion and which makes use of the employee's privileged access to confidential Allegion information such as customer or pricing lists. Even in less extreme circumstances, however, outside business interests and employment can raise serious conflicts questions.

My Obligations as an Employee

Suppliers

Outside Employment with Suppliers

- You must avoid taking on any second jobs with a current Allegion supplier, or any business that is seeking to become an Allegion supplier, where your Allegion responsibilities would call for you to help select, set compensation for, manage, or supervise the outside relationship. If you already have secondary employment with a business that does not otherwise violate our conflicts rules, you must ensure that the outside business thereafter neither applies to become nor in fact does become an Allegion supplier in circumstances where your Allegion duties would obligate you to help select, set compensation for, manage, or supervise the outside relationship. If you do not have the ability to prevent this from happening, you must resign the second job.
- Where your Allegion duties would not include selecting, managing, supervising, or setting compensation for the supplier, before taking on any secondary employment with the outside business, you must disclose the situation to your manager and the Chief Compliance Officer using the Conflict of Interest Disclosure Form available on **The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>** and emailing the form to your manager and EthicsandCompliance@allegion.com. Your manager, in consultation with the Chief Compliance Officer as necessary, will determine whether an appearance of a conflict exists. The answer will depend on the circumstances involved, including: your role at Allegion and the role of the supplier. Until and unless you are given written permission from your manager, you must not proceed.
- If you already have secondary employment with a business that later seeks to become an Allegion supplier but in circumstances in which your Allegion duties would not include selecting, managing, supervising, or setting compensation for the outside business, you must disclose the situation to your manager and the Chief Compliance Officer, using the Conflict of Interest Disclosure Form available on **The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>** and emailing the form to your manager and EthicsandCompliance@allegion.com, and await a written decision from your manager before permitting the outside company to proceed with an application or solicitation to become an Allegion supplier.

Other Relationships with Suppliers

- You must avoid consulting for, acting as a director, trustee, board member, or partner for, or having an investment or other substantial financial interest in (either directly or indirectly through a family member) an Allegion supplier or other third party who does business with or seeks to do business with the Company, where your Allegion responsibilities would call for you to help select, set compensation for, manage, or supervise the outside relationship. If you already act in one of these capacities for a business that does not

otherwise violate the conflicts rules, you must ensure that the outside business thereafter neither applies to become nor in fact does become an Allegion supplier in circumstances where your Allegion duties would obligate you to help select, set compensation for, manage, or supervise the outside relationship. If you cannot cause this to happen, you must resign your outside role.

- Where your Allegion duties would not include selecting, managing, supervising, or setting compensation for the supplier, before taking on any consultancy, directorship, trusteeship, board membership, partnership, investment, or substantial financial interest with the outside business, you must disclose the situation to your manager and the Chief Compliance Officer, using the Conflict of Interest Disclosure Form available on **The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>** and emailing the form to your manager and EthicsandCompliance@allegion.com. Your manager, in consultation with the Chief Compliance Officer as necessary, will determine whether an appearance of a conflict exists. The answer will depend on the circumstances involved, including: your role at Allegion and the role of the supplier. Until and unless you are given written permission, you must not proceed with the outside activity.
- If you already act as a consultant, director, trustee, board member, or partner for an outside business that does not otherwise violate the conflict of interest rules, or if you already have an investment or substantial financial interest in such a business, and that business later seeks to become an Allegion supplier but in circumstances in which your Allegion duties would not include selecting, managing, supervising, or setting compensation for the company, you must disclose the situation to your manager and the Chief Compliance Officer, using the Conflict of Interest Disclosure Form available on **The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>** Email the form to your manager and EthicsandCompliance@allegion.com. and await a written decision from your manager as to whether the outside company may proceed with an application or solicitation to become an Allegion supplier.

Competitors

- Avoid taking on any second jobs with a direct competitor of any Allegion business regardless of your role at Allegion. If you are unsure whether a company competes with Allegion, please consult with your manager and the Chief Compliance Officer, which will determine whether an appearance of a conflict exists. If you already have a second job with a company that does not otherwise violate these conflicts rules and that business later is contemplating competing with any Allegion business, you must ensure that no such competition occurs. If that is not possible, you must resign the secondary employment.
- Avoid consulting for, acting as a director, trustee, board member, or partner for, or having an investment or other substantial financial interest in (either directly or indirectly through a family member) a competitor of any Allegion business. If you already act in any of these capacities for a company that does not otherwise violate these conflicts rules and that business later contemplates competing with any Allegion business, you must ensure that no such competition occurs. If that is not possible, you must withdraw from that outside relationship.

Customers

Outside Employment with Customers

- You must avoid taking on any second jobs with a current Allegion commercial customer or a business contemplating or negotiating to become an Allegion customer where your Allegion responsibilities would call for you to negotiate the price, terms, or conditions of sale with the outside business. (The term “customer” as used in this section does not apply to consumer customers who, for example, purchase a Schlage lock at

Home Depot.) If you already have secondary employment with a business that does not otherwise violate the conflicts rules, you must ensure that the outside business thereafter neither negotiates to become nor in fact becomes an Allegion customer where your Allegion duties would obligate you to negotiate the price, terms, or conditions of sale with the outside business.

- Where your Allegion duties would not include negotiating the price, terms, or conditions of sale with the current or prospective Allegion customer, before taking on any secondary employment with the outside business, you must disclose the situation to your manager and the Chief Compliance Officer, using the Conflict of Interest Disclosure Form available on ***The Allegion Employee Intranet*** **here:** <https://allegion.sharepoint.com/inside-allegion/> and emailing the form to your manager and EthicsandCompliance@allegion.com. Your manager, in consultation with the Chief Compliance Officer as necessary, will determine whether an appearance of a conflict exists. Until and unless you are given written permission from your manager, you must not proceed with the outside employment.
- If you already have secondary employment with a business that later seeks to negotiate to become an Allegion customer but in circumstances in which your Allegion duties would not include negotiating the price, terms, or conditions of sale with the outside business, you must disclose the situation to your manager and the Chief Compliance Officer, using the Conflict of Interest Disclosure Form available on ***The Allegion Employee Intranet*** **here:** <https://allegion.sharepoint.com/inside-allegion/> and emailing the form to your manager and EthicsandCompliance@allegion.com, and await a written decision from your manager, who will determine how best to structure the sale. If you cannot cause the outside business to wait and potentially refrain from transacting business with Allegion, you must immediately resign the secondary employment.

Other Relationships with Customers

- You must avoid consulting for, acting as a director, trustee, board member, or partner for, or having an investment or other substantial financial interest in (either directly or indirectly through a family member) an Allegion customer or business contemplating or negotiating to become an Allegion customer, where your Allegion responsibilities would call for you to negotiate the price, terms, or conditions of sale with the outside business. If you already act in one of these capacities for a business that does not otherwise violate the conflicts rules, you must ensure that the outside business thereafter does not negotiate to become or in fact become a customer of Allegion in circumstances where your Allegion duties would obligate you to help negotiate the price, terms, or conditions of sale with the outside business. If you cannot cause this to happen, you must resign your secondary employment.
- Where your Allegion duties would not include negotiating the price, terms, or conditions of sale with the outside business, before taking on any consultancy, directorship, trusteeship, board membership, partnership, investment, or substantial financial interest with an Allegion customer or prospective customer, you must disclose the situation to your manager and the Chief Compliance Officer, using the Conflict of Interest Disclosure Form available on ***The Allegion Employee Intranet*** **here:** <https://allegion.sharepoint.com/inside-allegion/> and emailing the form to your manager and EthicsandCompliance@allegion.com. Your manager, in consultation with the Chief Compliance Officer as necessary, will determine whether an appearance of a conflict exists. Until and unless you are given written permission from your manager, you must not proceed with the outside activity.
- If you already act as a consultant, director, trustee, board member, partner or investor not otherwise in violation of these conflicts rules with a business that later seeks to become an Allegion customer, but in circumstances in which your Allegion duties would not include negotiating the price, terms, or conditions of sale with the outside business, you must disclose the situation to your manager and the Chief Compliance Officer, using the Conflict of Interest Disclosure Form available on ***The Allegion Employee Intranet*** **here:** <https://allegion.sharepoint.com/inside-allegion/> and emailing

the form to your manager and EthicsandCompliance@allegion.com, and await a written decision from your manager, who will determine whether to permit the outside company to negotiate a potential commercial transaction with Allegion. If you cannot cause the outside business to wait or potentially refrain from proceeding, you must immediately withdraw from your role in the outside business.

Other Outside Employment

- Avoid all second jobs that require any work to be performed during your Allegion work day, or which impact your performance at Allegion (for instance, by causing you not to get sufficient rest to perform your Allegion duties).
- Do not use Allegion equipment, vehicles, tools, or supplies for any second jobs or even occasional situations (“moonlighting”) in which you are providing services.
- Even if a second job does not cause a conflict, you must maintain the confidentiality of any Allegion information (see the section on Protecting Allegion’s Confidential Information) and ensure that the second job does not interfere with your duties to Allegion during work hours.

Frequently Asked Questions

I have a second job running a small graphic design business that I co-own with a friend. I think I could save Allegion money by providing printing services for brochures and pamphlets. Is this okay?

Maybe. This is definitely a potential conflict of interest situation because it suggests at least the appearance that you might be more interested in expanding your side business than in serving Allegion’s best interests. You must disclose the situation to your manager and the Chief Compliance Officer. If your Allegion duties include selecting printing suppliers, you will need to withdraw from any decision-making relating to your printing business. Beyond that, however, there might be an opportunity if your printing company provides the right service at the right price, and if no other conflict or legal issues emerge.

I am thinking of getting a second job at a local department store. Is this permitted?

Yes. As long as your second job does not prevent you from devoting the time and effort required to do your job at our Company, it shouldn’t be a problem. If you have questions, you should contact your manager to discuss the situation before you take the position.

An Allegion supplier whose relationship I manage has offered me a part-time job, but handling a non-Allegion account. May I proceed?

No, at least not right away. You must disclose the situation to your manager and the Chief Compliance Officer. Your manager, in consultation with the Chief Compliance Officer as necessary, will make a decision and inform you in writing as to how you may proceed. Depending on the facts, the situation may raise the appearance of a conflict of interest.

Where can I find more information/help?

For additional information or guidance, contact the Chief Compliance Officer.

Code of Conduct

Responsibility to Allegion

Relationships with Suppliers

Overview

Allegion buys many goods and services from others. The selection process for services or goods should be based solely upon quality, delivery, price, service, and need. Additionally, we must take care to ensure that we engage in business with suppliers that carry on their businesses legally and with integrity. For instance, the Company strictly prohibits and does not tolerate the use by suppliers of forced or child labor.

Employees involved in the selection or purchase of goods and services from suppliers should avoid situations that could interfere, or appear to interfere, with their ability to make independent decisions regarding purchases on behalf of the Company. Not only would accepting excessive gifts or entertainment from a supplier create the appearance of a conflict of interest, but it could also constitute bribery.

My Obligations as an Employee:

- Avoid receiving any favorable treatment, whether in the form of gifts, entertainment, favors, services, discounts, or other gratuities or benefits which create or appear to create an obligation to buy from a supplier.
 - Avoid receiving any gift with a value of more than U.S. \$50.
 - Only exchange gifts or entertainment with suppliers that are within customary and reasonable business standards.
 - Avoid excessive and inappropriate entertainment.
 - Follow the rules in the Gifts and Entertainment section below.
- Avoid sitting in decision where I have a non-business relationship with someone at the supplier.
- Do not accept travel, entertainment, or gifts from a supplier during bidding or contract negotiations.
- Only engage a supplier that has a reputation for honesty, integrity and compliance.

Frequently Asked Questions

I have been invited by a supplier who is attempting to win Allegion business with my department to go on a ski trip, including airfare, hotel and lift fees. The supplier assures me this will provide an uninterrupted and relaxed atmosphere to discuss its capabilities and fit for Allegion. May I go?

No. Even if the intention is to discuss the merits of the supplier's offering at length in an informal setting, should Allegion ultimately award business to this supplier, an objective observer would say this trip had the appearance of a conflict of interest, particularly since competing suppliers did not have the same informal access with your department.

What if I am invited to attend an industry conference and all my travel and hotel expenses will be paid by a supplier?

An industry conference fee may be waived, discounted, or paid by the conference sponsor or supplier without creating the appearance of a conflict. However, you may not accept gifts of commercial transportation, lodging, or other travel-related expenses from a supplier, as these will raise serious conflicts questions. If there is a legitimate business purpose for you to attend the conference and your manager approves, Allegion must pay for your travel and hotel expenses.

Where can I find more information/help?

For additional information or guidance, refer to the sections on Anti-bribery and Corruption and Gifts and Entertainment. You may also contact the Chief Compliance Officer.

Corporate Opportunities

Overview

You are expected to promote the Company's interests when the opportunity to do so arises.

It is a violation of our Conflict of Interest policy for any employee or member of an employee's family to personally benefit from an opportunity developed or learned about in the course of employment with our Company.

This conflict exists when the opportunity is related to any current or prospective business of Allegion and when it was developed without Allegion's knowledge and consent. A conflict of interest may also exist, even if there is no personal benefit, when an Allegion employee offers the benefits of the opportunity to another person or organization including family members or a business in which an employee or employee's family has an interest.

My Obligations as an Employee:

- I am prohibited from taking or directing to a third party or any member of my family a business opportunity that is discovered through the use of Allegion property or information or because of my position with the Company, unless Allegion has already been offered and declined the opportunity and otherwise agrees I may direct the opportunity to the third party or family member.
- I am prohibited from using Company property or information for personal gain or to compete with Allegion.

Frequently Asked Questions

I have developed a business process that I believe could be patented. Am I obligated to offer it to Allegion first?

This is a complicated area and depends on factors such as whether the business process was developed using Company resources or information that was developed or learned from your employment with the Company. You should discuss the matter with the senior IP attorney for the Company or the Chief Compliance Officer before applying for such a patent.

Where can I find more information/help?

For additional information or guidance, contact the Chief Compliance Officer.

Code of Conduct

Responsibility to Allegion

Respecting Company Resources and the Allegion Name

Overview

Allegion's ability to compete and serve our customers requires the efficient and proper use of the Company's assets and resources. Allegion employees have an obligation to use Company resources in an effective and appropriate manner when conducting their business duties and obligations. Company assets and resources include:

- confidential information
- technology
- data
- software
- tools
- vehicles
- land
- buildings
- equipment
- components
- raw materials (including scrap and obsolete materials)
- Company credit cards
- Company procurement cards ("P-cards")
- cash
- the use of email, telephone calls, voicemail and text messages on Company-issued devices such as laptop computers, iPads and other tablet computers, mobile telephones, and smart phones including Blackberries, iPhones, Android phones and other similar phones.

You should use Company resources for Allegion's business purposes only. You should not use Allegion's resources, name, logo, facilities, or relationships for personal benefit (or for the benefit of a third party). Use of the Company's resources, name, logo, facilities, or relationships for charitable or civic purposes can be made only with prior approval of your Human Resources representative or the Legal Department.

Limited, occasional or incidental personal use is permitted of certain Company information technology equipment issued for your individual use, including Company-issued smart phones. You must check whether your location has specific rules defining and controlling such occasional use. However, you must not use Company resources for any illegal or immoral purpose.

All data remains the property of the Company. To ensure compliance with this and other provisions of the Code, the Company, to the fullest extent allowed by applicable law, retains the right to search any and all Company property at any time, including, but not limited to, email, voicemail, offices and desks, with or without notice. Employees should have no expectation of privacy when using Company resources, except as required under applicable local privacy laws.

My Obligations as an Employee:

- Use Allegion's assets, including scrap materials, tools and vehicles, for Allegion's business purposes only.
- Use the Allegion logo, name, facilities, and relationships only for legitimate business purposes and not for personal reasons.

- Safeguard Company resources – do not mistreat or allow others to mistreat Company resources and do not intentionally destroy or damage Company resources.
- My time on the job is a Company resource and must not be used to undertake personal activities.
- Do not use Company resources:
 - For personal use except for authorized incidental use during work hours.
 - In support of a personal business, consulting effort or similar private venture, or to support the business of another company or firm.
 - For offensive (i.e., any sexually explicit materials or materials that are discriminatory, hateful or threatening) or unlawful purposes.
 - In a manner that disrupts my ability to perform my job.
 - In a manner that disrupts the ability of others to perform their jobs.

Frequently Asked Questions

A group of employees in the office is getting together to walk in a local charity event. Would it be alright to carry an Allegion banner for part of the walk?

We appreciate your charitable spirit but you should get permission first. If there are enough employees involved, the Company may sponsor your group and make a separate donation. Contact your Human Resources representative.

I am trying to convince my town to install a stoplight at a dangerous traffic intersection. I want the Town Council to understand that I am a respectable professional member of my community when I give my opinion. May I use Allegion letterhead showing my title when I write to the Town Council?

No. Using Allegion letterhead may tend to suggest the Company is taking a position on the traffic signal, which it is not.

Can I make a personal phone call from work to check in with a child-care provider or to let my spouse know that I will be late?

Generally, yes. As long as the calls are limited and do not interrupt others near you, certain incidental personal calls are permitted. However, certain manufacturing locations may have strict rules prohibiting personal phone calls during shifts.

My neighbor asked me to do some work on his house this weekend. May I bring home the tools that I use at work or use the tools from my company van?

No. Company vans, tools and equipment are to be used only for business purposes.

Can I text my wife to tell her I am running late on my Company-issued telephone while I am at a customer appointment?

This type of incidental usage is generally permitted.

Where can I find more information/help?

Contact the Legal Department or Human Resources for more assistance. For branding questions, you may contact Corporate Communications. Additional information regarding the Company's branding strategies and standards is available on the *The Allegion Employee Intranet*

here: <https://allegion.sharepoint.com/inside-allegion/>

Code of Conduct

Responsibility to Allegion

Anti-bribery and Corruption

Overview

Allegion is committed to winning business only on its merits, based on the value proposition of the Company's brands and the superiority of its product and service offerings. Therefore, and consistent with its core values, the Company prohibits the giving and even the *offering* of anything of value in exchange for a business advantage. (Of course, the Company also prohibits the solicitation or receipt of bribes in exchange for the awarding of business. These concerns are detailed in the sections on Relationships with Suppliers and Gifts and Entertainment.) Included in this prohibition are not only cash and cash equivalents such as gift cards, but gifts, entertainment, travel expenses, and anything else offered for the purpose of influencing the award of business to Allegion, including but not limited to job offers and charitable donations. In addition, you must not only refrain from making such offers to customers and potential customers, but to family members of customers and potential customers as well. Bribes and their equivalents (including kickbacks) would undermine Allegion's mission of winning business on its merits and thus its reputation for integrity with shareholders, customers, suppliers, regulators, and the larger communities in which we operate. Bribes would also induce individuals representing potential Allegion customers to misuse their positions for their own personal benefit and choose Allegion for the wrong reasons.

If Allegion cannot obtain a contract without paying a bribe, either directly or indirectly through a business partner or other third party, you should report the matter to your manager and the Chief Compliance Officer and walk away from the deal. Allegion's reputation for integrity is more important than the profit from any contract.

The Company's values in this respect are consistent with the law in nearly all of the places in which we do business worldwide. These laws prohibit the giving, promising, or offering of bribes and equivalent items of value to *anyone* – whether that person is a government official or employee of a state-owned business, or simply a private actor. The global enforcement against bribery, including purely commercial bribes, is increasing. These laws can result in serious civil and criminal fines and jail sentences for employees who violate them, as well as fines for Allegion, which can be held liable for the acts of employees who fail to follow these rules.

Commercial Corruption

As a general matter, when dealing with privately-owned customers, prospective customers and business partners including but not limited to agents, dealers, resellers, and distributors, problems can be avoided by following the Company's standard rules on gifts, travel and entertainment. Refer to the Global Travel and Expense Reimbursement Policy. Should you have questions about what is permissible, please contact the Chief Compliance Officer or the Legal Department.

Government Corruption

When dealing with government officials and representatives of government-owned businesses, additional scrutiny is necessary because the legal risks are heightened. Excessive business entertainment and gift-giving may be interpreted under certain laws as an inappropriate attempt by the Company to obtain business illegitimately, especially when dealing with non-U.S. government officials or non-U.S. government-owned businesses. Most of the countries in which Allegion does business have special laws prohibiting the giving, promising, or offering of corrupt payments in these circumstances. Two of these laws, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, apply even to actions taken outside of the United States and United Kingdom, respectfully. Here, we need to follow the Company's travel, entertainment and gifts rules. But, in addition, there are two special Allegion policies concerning the vetting of third-party business partners and approval of customer site visits (discussed more fully below), which address key risk areas in government corruption, that you must follow.

My Obligations as an Employee

Refrain from Making Improper Payments

- I must not give or offer anything of value for the purpose of influencing a positive business decision from a customer, potential customer, end user, or potential user.
- I must not give or offer an item of value for the purpose of influencing or obtaining legislation, regulations, legal rulings, or other official government actions that would benefit Allegion's businesses.
- I must not give or offer anything of value in response to a request from a business partner or potential business partner.
- I must not provide gifts or entertainment that go beyond the Company's gift and entertainment policies, or applicable local law, even if, by providing a gift or entertainment, I have no intention to influence decisions favorable to the Company. I must always be careful not to create even the *appearance* of impropriety because that can lead to legal risk.
- Prohibited items of value go beyond cash payments and broadly include items such as, but not limited to, gift cards, gifts, meals, entertainment, travel expenditures, job offers, and even charitable donations and contributions to political parties or political candidates.

Frequently Asked Questions

A local charity that runs several orphanages has asked for a donation to help build new soccer fields at the orphanages. I think this would be a good gesture of goodwill because one of the charity's orphanages is in the community where our local office is located. I did some research and found out that a member of the charity's Board of Directors is a member of a government procurement team for a project on which Allegion is bidding. Can I recommend that we make this donation to the charity?

No, you should not recommend that we make the donation. While, under other circumstances, such a donation might be entirely appropriate (if approved at the proper levels within the Company), here there is a problem because one of the charity's board members is also going to be involved in making a decision about which company will win the government project up for bidding. The donation to the charity could be viewed as an attempt to improperly influence the charity's board member into awarding the project to Allegion. Even if your intentions are innocent, you must avoid even the appearance of impropriety, which can lead to legal risk.

Where can I find more information/help?

The Company's policy and guidelines can be found in the Anti-Corruption Policy Manual and Guidelines on Travel, Hospitality and Related Expenses of Non-U.S. Government Officials and Employees of State-Owned Enterprises (both available on *The Allegion Employee Intranet* **here:** <https://allegion.sharepoint.com/inside-allegion/>)

You may find additional information on the Company's policies in the Gifts and Entertainment section below. You may also contact the Chief Compliance Officer for assistance.

Code of Conduct

Responsibility to Allegion

Business Partner Due Diligence

For purpose of the anti-bribery laws, the acts of Allegion's distributors, dealers, agents, resellers, logistics providers, freight forwarders, customs brokers, consultants, independent contractors, and representatives to facilitate company business may be considered the acts of Allegion itself. Allegion cannot knowingly use third parties to do indirectly what we cannot do directly—pay or offer to pay bribes. You may not pay a bribe through a third-party business partner.

Even where business partners do not ask for money or other items to pay for or as a bribe to a customer or end user, the law can impose liability on you and Allegion in circumstances where you *should have known* the business partner would offer an improper payment. Allegion employees cannot ignore or look the other way if they have reason to believe that third-party business partners may be acting improperly on the Company's behalf by paying bribes or otherwise offering items of value to active or potential project owners, end users, or customers. Ignoring this type of situation is unacceptable and risky; it does not protect you or the Company from criminal liability. Allegion's third parties must abide by all laws in spite of local customs, cultural norms or competitive pressures that suggest otherwise.

For these reasons, it is Company policy that we must fully understand the activities of all third-party business partners and where appropriate monitor that behavior. In fact, prior to first entering into any arrangement with any customer-facing distributor, dealer, agent, or retaining any third party, employees must conduct the necessary due diligence review of that third party as provided in the Anti-Corruption Policy Manual and follow proper approval procedures and controls when paying such parties.

Generally, you should be alert to a possible improper payment if any of the following occur:

- A request that a commission be paid in cash, in another name, or to an address or bank account in another country.
- Unexplained large expenses on a travel and entertainment expense report.
- An agent or distributor demanding a higher than normal commission for a transaction.
- Any agent or salesperson who says he or she is working with a government official to give our company the contract.
- An agent or distributor has a criminal conviction or a civil judgment involving fraud.

Business Partners Include:

- Dealers, distributors, agents, resellers, logistical providers, freight forwarders, tax consultants, law firms, or other service providers. Generally speaking, we focus on customer-facing business partners, although suppliers designated to us by end customers also require additional scrutiny.
- Parties who interact with government officials for necessary licensing, permits and other official documentation.

My Obligations as an Employee:

- Make sure that our business partners are properly vetted by the business and the Chief Compliance Officer, as detailed in Standards of Internal Control 15.2B – Business Partner (TPI) Vetting, prior to doing business with them.
- Submit any customer visit to the Chief Compliance Officer for review and approval.

- Be alert for any unusual fund transfers to or from countries or parties that are not directly related to the transaction.
- Question any highly complex deal structures, or payment patterns that reflect no real business purpose or unusually favorable payment terms.
- Watch out for third parties with family or other relationships that could influence the buying decision.
- Report to the Chief Compliance Officer any sales representative or agent who approaches me near the award of a contract and indicates a “special arrangement” with a government official.

Customer Visits

Enforcers of anti-bribery laws prohibiting bribery of government officials have focused on the payment of excessive and inappropriate travel costs to customers. Legitimate trips to visit factories and facilities or to attend Allegion events are susceptible to being combined with inappropriate “side” trips of tourist or leisure activities. In order to ensure that Allegion does not incur liability under such circumstances, the Company has a very specific, mandatory approval process when inviting any third parties for any overnight trip paid for or *arranged* by Allegion. This includes any visit to any Allegion factory, facility, or event. Examples include product demonstrations, factory inspections, training, and witness testing of equipment. You must follow the procedures in the “Guidelines on Travel, Hospitality and Related Expenses of Non-U.S. Government Officials and Employees of State-Owned Enterprises.” Of course, even when entertaining purely private customers, you need to be mindful that expenses must be proportional under the Company’s travel and entertainment rules and also that the Company strictly prohibits all forms of bribery.

Facilitating Payments

Allegion does *not* permit the payment of small amounts for even routine, non-discretionary governmental duties such as mail delivery, scheduling inspections, or customs clearance. These types of payments are commonly referred to as “facilitating payments.” Although these are permitted under the U.S. Foreign Corrupt Practices Act, Allegion recognizes that such payments are illegal in substantially all the other countries where Allegion operates even if they may be culturally accepted. More importantly, facilitating payments are simply not consistent with Allegion’s core values.

Accurate Books and Records

Allegion and its subsidiaries must maintain accurate books and records that show that any payments to government officials and employees are honestly described and are not used for unlawful purposes. Under U.S. law, recording a bribe as something legitimate in our books and records can lead to *separate* and *additional* penalties.

Where can I find more information/help?

The Company’s policy and guidelines can be found in the Anti-Corruption Policy Manual, Guidelines on Travel, Hospitality and Related Expenses of Non-U.S. Government Officials and Employees of State-Owned Enterprises (both available on *The Grid* under Inside Allegion/Policies and Procedures), and the Standard of Internal Control 15.2B – Business Partner (TPI) Vetting and related forms (Business Partner Due Diligence Form and Business Partner Questionnaire) (available on *The Allegion Employee Intranet*

here: <https://allegion.sharepoint.com/inside-allegion/>

You may also contact the Chief Compliance Officer for assistance.

Code of Conduct

Responsibility to Allegion

Gifts and Entertainment

Overview

Allegion is committed to winning business from customers on the merits and value of its products and services. Similarly, Allegion is committed to awarding business to suppliers on the value of their offerings as reflected in considerations such as quality, service, and price. At the same time, the Company understands that modest and customary business entertainment and gifts can be a legitimate part of conducting business in appropriate circumstances by, for example, promoting successful working relationships and goodwill. Examples of modest and customary business entertainment and gifts include a reasonable celebratory dinner following the closing of a deal, or dealer and distributor incentive programs.

The Company's guidelines for entertainment and gift-giving are designed to address five main risks:

- Financial Responsibility and Protection of Company Resources
 - Excessive business entertainment and gift-giving inappropriately strains the Company's finances and profitability.
- Allegion's Reputation for Professionalism and Mutual Respect
 - Sexually explicit, racial, political, and morally offensive gifts and entertainment are prohibited as not being reflective of the Company's core value of mutual respect and professionalism.
- Bribery
 - Excessive business entertainment and gift-giving, including gifts of cash and cash equivalents such as gift cards and gift certificates, may be interpreted under various laws as the Company's attempt to "buy" business illegitimately. Additionally, it is almost never permissible to give anything of value to a government employee, and especially so when we are dealing with them in a procurement situation. Also, be mindful that many educational institutions are governmental, and care must be taken to avoid a violation.
- Conflict of Interest
 - Receipt by Company employees of excessive entertainment and gifts can create a conflict of interest or the appearance of a conflict by suggesting that Allegion has awarded business on a basis other than the merits of a supplier's offering.

Gifts

Any gift that you offer or accept in a business relationship with employees of a commercial company (not owned or controlled by a government entity) must be infrequent and valued at no more than **U.S. \$50**. In addition, you should not offer or receive gifts during any 12-month period from the same company or persons affiliated with that company exceeding a total of U.S. \$200. If applicable local law sets stricter gift limits than the monetary limits provided here, for example a RMB 200 or less limit applies to certain gifts in China, you must follow the local law.

However, during a tender or competitive bidding process in which Allegion is selecting suppliers, you may not request or accept gifts and entertainment from any bidder or prospective bidder. Similarly, if Allegion is attempting to win a tender or bid, you may not offer or provide gifts and entertainment to any representative of the company running the bid.

Gifts can include anything of value, including meals or entertainment, if the person providing the meal or entertainment is not in attendance. Examples of things that can be considered gifts include bottles of wine, products, tickets to entertainment or sporting events, lodging, discounts on products or services, services, equipment, prizes, transportation or reimbursement of travel expenses, use of vehicles or vacation homes, home improvements, tickets, and favorable terms on a product or service.

Meals and Entertainment

You may infrequently offer or accept meals and entertainment in connection with a business relationship, as long as they are reasonable and within customary industry practices and if the person paying for the meal or entertainment is in attendance. All meals paid by Allegion employees must comply with any local, regional or group expense reimbursement policy. Additionally, consider following the per diem meal limits applicable to your region as a guideline for reasonable meal and entertainment expenses. If the provider is not in attendance, any meal or entertainment offered or given is considered a gift and is subject to the **U.S. \$50** gift limitation. If applicable local law sets stricter gift limits than the monetary limits provided here, you must follow the local law.

Government Officials

Stricter and more specific company policies and laws and regulations apply when we do business with employees, officials, or representatives of government entities. These stricter and more specific policies and laws also apply to the family members of employees, officials, or representatives of government entities. In many countries, such as China and the United States, government officials are prohibited from accepting anything of value or nothing more than an inexpensive meal or a nominal gift (*e.g.*, valued at less than U.S. \$25). If your job responsibilities include working with government or public sector employees, you must have specific knowledge of any gift or entertainment that is permitted by Allegion policy and specific laws and regulations before you offer such a gift or entertainment. We encourage you to seek guidance from the Chief Compliance Officer or the Legal Department before giving a gift to, or entertaining a, government official.

My Obligations as an Employee:

- When possible, give gifts that directly promote Allegion products or have the Company logo on them.
- Offer or accept only non-cash gifts less than the limit of U.S. \$50, provided they are given as a gesture of professional goodwill and do not involve a commitment to transact business.
- Accept or offer only occasional meals or appropriate entertainment as long as both the non-Allegion third party and Allegion employee are present. Otherwise the meal or entertainment is deemed a gift and subject to the U.S. \$50 limit.
- Do not participate in business-related entertainment that is sexually oriented, morally offensive, illegal, or otherwise violates our commitment to diversity and mutual respect (*e.g.*, adult entertainment or sexually oriented venues such as “strip clubs” or “massage parlors”).
- Limit alcohol consumption to a reasonable amount at business functions or meetings and other work-related events, including meals or other entertainment with customers, suppliers, and parties with whom the Company conducts business. Never become intoxicated at business functions or meetings or other work-related events.

Prohibited Gifts and Entertainment:

- Anything offered, requested, or accepted as part of an understanding to obtain a business advantage in return.
- Items and activities that are illegal.
- Cash and cash equivalents including gift cards, gift certificates, payment of credit card charges, loans, stock, bank checks, travelers checks, money orders, securities, investments, or negotiable instruments. In addition, you must not incur an expense on behalf of a customer but falsely claim it as your own business expense on an Allegion expense report.

- **Any** gifts or entertainment during a period of competitive bidding.
- Any entertainment or gift that takes place in an adult entertainment venue or is sexually oriented (e.g., “strip clubs” or “massage parlors”).
- Any entertainment or gift that is morally offensive, political in nature, or otherwise violates our commitment to diversity and mutual respect.
- Company employees may not spend their own money or resources to pay for gifts, entertainment, or favors provided to a customer or supplier.
- Participation in any activity that would cause the non-Allegion person giving or receiving gifts, entertainment, or favors to violate his or her own employer’s standards.
- Any situation that would cause a customer or employee to feel uncomfortable or that would embarrass Allegion by its public disclosure.

Frequently Asked Questions

What do I do if I receive a gift that exceeds the U.S. \$50 limit?

If you receive a gift in excess of U.S. \$50 without notice, you can return it with a note explaining Allegion’s policy on gifts, or contact the Chief Compliance Officer for further guidance if doing so would be discourteous or cause embarrassment to the gift giver. Depending on the circumstances, it may be possible to turn the gift over to the Company for display, use it in an employee giveaway or raffle/lottery, donate it to a charitable organization, or if the item is a perishable food item, share it with all members of your department.

I attended an industry meeting and won a weekend trip. The value is U.S. \$100. Can I accept the prize?

You may accept a prize with a value greater than U.S. \$50 won in connection with a random drawing or competition as long as the drawing or competition is open to all participants.

Can I accept tickets to a sporting event from a supplier?

If you are invited to a sporting event by a supplier and attend together with that supplier, that is business “entertainment” and is not subject to a specific dollar amount provided that the entertainment is consistent with acceptable business practices for your industry and geographic location; infrequent in nature; and not lavish or extravagant. If the same supplier provided you tickets to the event but did not attend with you, those tickets are a “gift” and subject to the gift limit of U.S. \$50.

Is it permissible to give gifts with the Allegion logo on them?

Generally, yes. Gifts with the Company logo help create brand awareness as well as lower the retail value of the gift. However, you should confirm with the Allegion Brand Center that the use of the logo is consistent with our branding standards. For instance, bottles of wine with the Allegion logo would not be appropriate.

My office wants to pay to bring a customer to our facilities so they can better understand our products and the quality that goes into them. Is this subject to the gift rules?

The gifts and entertainment rules discussed above are applicable to all customer visits. Additionally, all customer visits, including visits by customers located in the U.S. traveling to a Company location or facility in the U.S., must be pre-approved, *before the visit occurs*, by the Chief Compliance Officer.

I want to invite one of our government customers to my house for dinner but her regulations say that I can't purchase a meal for her. Does that regulation only apply to meals in restaurants?

No. A rule that prohibits a company from buying a meal also prohibits us from inviting her for a meal at our home.

Do all government agencies have the same regulations concerning acceptance of meals, gifts and entertainment?

No. Regulations can differ among countries and even within countries depending on the level of government (such as national, federal, state, province, county, and local). Before offering any gifts, meals or entertainment, make sure that you know the applicable regulation. Contact a member of the Legal Department or the Chief Compliance Officer for guidance.

Where can I find more information/help?

Occasional meals with prospective and actual business partners, including suppliers and customers, should follow the Global Travel and Expense Reimbursement Policy, available on *The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>* and/or any local expense reimbursement policies that apply to your sector, country, or region. You may also seek guidance from the Chief Compliance Officer or the Legal Department.

Key Points

- In general, gifts, entertainment, or favors should:
 - Be consistent with accepted business practice.
 - Comply with applicable law, the policies of the employer of the other party and accepted ethical standards.
 - Not be in a form that could be construed as a bribe (such as cash or cash equivalents).
 - Avoid creating a situation where public disclosure of the facts will result in embarrassment to the employee or Allegion.
 - Avoid creating a conflict of interest.
- You cannot evade these rules by using your own money. In fact, you are prohibited from paying for gifts, meals, or entertainment with your own funds.

Government Procurement

Overview

Certain conduct when engaged in during government procurement work is prohibited. Compliance with laws and regulations covering government business is essential. The laws that govern doing business with the government are often more restrictive than those relating to the commercial sector. Even the appearance of impropriety can erode public confidence in the Company and in the government procurement process.

The rules on selling to government entities or agencies apply in our dealings not only with such entities or agencies but also when the Company deals indirectly with such entities or agencies as a supplier or subcontractor. These rules include, but are not limited to, the obligations to comply with contract specifications, to accurately report cost and pricing data, to prevent disclosure of classified material, and to comply with restrictions on the employment of former government employees.

Additional rules may apply in certain countries. Please check with the Legal Department for country-specific rules and guidance.

My Obligations as an Employee

- Seek guidance when I need help complying with government procurement laws and regulations.
- Ensure that all data and information reported is accurate.
- Comply with restrictions governing the employment of former government employees.

Where can I find more information/help?

The Company's U.S. Government Contracting Policies are available on *The Allegion Employee Intranet here:* <https://allegion.sharepoint.com/inside-allegion/>

You may contact the Legal Department for additional information.

Code of Conduct

Responsibility to Allegion

Protecting Allegion's Confidential Information

Overview

Allegion employees must protect the Company's confidential information. This information includes:

- trade secrets
- engineering designs and drawings
- processes
- know-how
- inventions
- product specifications
- tooling
- algorithms
- flowcharts
- formulas
- research
- unannounced products or services
- sales data
- client lists
- confidential product pricing information
- confidential client or customer information
- nonpublic financial information
- significant projects, including proposed acquisitions and divestitures
- any other information or knowledge created, acquired, or controlled by Allegion that has economic value.

Confidential information also includes confidential information entrusted to us by other parties, such as customers. Our customers expect us to carefully handle and safeguard the business and personal information they share with us, disclosing private information only to those with a legitimate business need to know and only when permitted by the Company's privacy policies. Employees must maintain the confidentiality of Allegion's confidential information both while working for Allegion and indefinitely after ceasing employment with Allegion.

My Obligations as an Employee

- Do not communicate Company confidential information to anyone who is not authorized, including family members.
- Ensure that such information is safeguarded in accordance with Company policies and instructions, and maintain appropriate physical, administrative and technical safeguards for personal information and business data.
- Avoid transmitting confidential information via a computer or by fax in a way that makes it available to unauthorized people.
- Ensure we have confidentiality agreements with third parties before sharing confidential information.
- Do not use confidential information for personal benefit or other non-Company purposes.
- Mark documents with proper confidentiality information warnings/disclaimers.
- Contact the Legal Department in the event of unauthorized release of confidential information.
- Secure our Company-issued laptops, iPads and other tablet computers, mobile telephones, and smartphones and documents within our workspace (i.e., use the "lock computer screen" or "lock phone" function, do not leave a laptop or other Company-issued information technology equipment in plain view in a vehicle, lock offices or drawers containing confidential Company information, use the secure print feature when printing documents to a shared printer).

- Be vigilant in following laws, regulations and policies when transferring personal information and business data across country borders.
- Minimize the use of personal data – use only what is necessary to do my job.
- Use personal data responsibly – check with client agreements and contracts to determine how I may use and share their personal data.
- Clear my workspace at night when I leave the office and secure papers and other work materials in a safe place.

Protecting Allegion’s Confidential Information and our Employees Personal Information

Protecting the data privacy of our employees, potential employees, and customers is integral to Allegion’s success. Allegion personnel must exercise care in their handling of personal information and comply with applicable data privacy laws, as well as all Allegion policies related to data privacy. Allegion’s data privacy related policies are available at the **Allegion Employee Intranet** here: <https://allegion.sharepoint.com/inside-allegion/>

Frequently Asked Questions

Following a first round of bidding on the production of components for a new product, one potential supplier asked for some detailed product development expense data. This information was not provided as part of the bidding package but I can tell that the supplier is one of the top two contenders for this work. Is it okay to send the supplier the expense data?

No. Consult your manager or a member of the Legal Department for guidance on how to handle the supplier’s request and whether it can be appropriately accommodated.

We have a new key project that I have been working on. I had lunch with a supplier who I used to work for five years ago, and I know the supplier would have some great ideas about getting this project done by the deadline. Since I already know the supplier and know it to be of high integrity, can I share some project technical details and get the supplier started?

No. Before talking to suppliers or customers about our technology, you will want to consult with a member of the Legal Department to be sure that the appropriate confidentiality and non-disclosure agreements are first put in place. This will ensure that the other party, even if you know them to be of high integrity, has a legal obligation to protect the confidentiality of our intellectual property as well as acknowledge that the intellectual property is owned by the Company.

When out of the office, I often use my laptop or smartphone in my car and hotel and often work in areas that are in open view of customers, suppliers, visitors, and other employees. What do I need to do?

Stolen laptops and smartphones are one of the most common ways that confidential information is lost and data privacy is breached. You should take extra effort to secure your laptop by using a cable or docking station lock and secure your phone by using the “phone lock” feature. In addition, you should use a privacy screen on your laptop and, if you leave your computer unattended when logged in, use the “lock computer screen” function. When traveling, you should not leave your laptop or smartphone in plain sight in a vehicle and use the hotel room safe to store your laptop or smartphone when you are not in the room.

Where can I find more information/help?

Consult with the Legal Department for additional guidance or information. You may also contact the: Chief Privacy Officer -Allegion plc
11819 N. Pennsylvania Street
Carmel, Indiana 46032
United States of America

Code of Conduct

Responsibility to Allegion

Respecting Non-Allegion Copyrights, Intellectual Property and Software and Competitors' Confidential Information

Overview

Employees must respect the confidential information of all third parties, including competitors. Learning about our competitors is a good business practice but it must be done fairly and in compliance with all applicable laws and regulations. We must respect intellectual property rights and laws, including copyright, trademark, patent, and trade secrets, and not use confidential information or property owned by others unless we have obtained permissions to do so in advance of the planned use. We also should not use inventions, information, or software applications, for example, that are not authorized for use by the Company's senior Intellectual Property Counsel or the Information Technology Group, are the property of another, or where they may be from a source of suspect integrity. In today's environment, assume that internet-sourced materials (such as web publications, images, software, presentations, movies, video clips, etc.) are materials that are owned by another and that these materials should not be used without first seeking guidance from the Company's senior Intellectual Property Counsel.

The use of software by Company employees is often subject to the terms of a software license agreement. The terms may restrict the number of software copies that may be used by the Company and how those copies may be distributed. If you have any doubt as to whether an activity may violate copyright laws, or need guidance related to the terms of a software license agreement, contact a member of the Intellectual Property Group of the Legal Department.

My Obligations as an Employee:

Do not:

- Make unauthorized copies of software, articles, or duplicate others' creations.
- Photocopy magazine/journal articles or other publications unless I have the authority or license to do so.
- Hire a competitor's employee to obtain that competitor's trade secrets or software or otherwise confidential information that is not generally available to persons other than the competitor's employees.
- Solicit confidential information about a former employer from a new hire.
- Attempt to access third-party information containing technical or engineering data that may be protected by trade secret laws unless specifically authorized to do so by a supplier or customer.
- Use copyrighted music or video clips in Company presentations.
- Obtain competitive information through misrepresentation, bribery, or other improper means (including unauthorized access to a computer network).

Frequently Asked Questions

We recently hired an employee from a competitor. The employee offered to copy the competitor's confidential software program that would help us service certain customers who still run legacy programs that use the competitor's software. Can we do this as the main benefit is for the customer?

Absolutely not. Not only would this violate copyright laws but would also infringe on the competitor's intellectual property and trade secrets. If we want or need to use the intellectual property belonging to someone else, we must obtain a license or other formal authorization, or purchase it outright.

I was surfing the web and found some useful software applications that will help me with my Company work. The site shows the software is free for my use and I can download it easily onto my company computer. Can I download this software and use it for my work activities?

No. Adding software to Company computers needs to be compliant with IT Department policies and procedures and unfortunately many of these "free" downloads may contain terms that subject the Company to financial liability or that conflict with existing company software licensing agreements. If you have any questions about the software that is approved by the Company, please contact the IT Department.

I have just joined Allegion. My prior employer is a competitor of Allegion. Can I share some important marketing information that I developed while at my former company?

No. It is not ethical or good business practice to share this confidential information. You are obligated to protect your past employer's confidential information just as Allegion employees are obligated to protect our Company's confidential information should they leave our employ.

Where can I find more information/help?

Please contact the Legal Department for additional information or guidance.

Key Points

- Assume that all third-party materials found on the internet, including software, movies and video clips, are protected information that cannot be used without obtaining guidance from the Intellectual Property Group within the Legal Department.
- Never try to obtain a competitor's confidential information, regardless of the method used.

Business Records and Communications

Overview

Each of us is responsible for the integrity, completeness and accuracy of the business records and communications that we create, which are owned by the Company. Failure to do so can lead to financial and accounting violations as well as legal exposure for the Company.

The Company also is subject to legal obligations regarding the length of time certain types of records must be retained. Allegion's Records Retention Policies and Procedures and the Records Retention Schedule reflect these legal obligations and sometimes lengthen legally mandated retention periods in response to specific business needs. These schedules are mandatory and must be followed. When legal claims are threatened or brought, or government investigations commence, the Company's Record Retention Policies and Procedures mandate the suspension of these retention schedules for records potentially relevant to the dispute. In other words, these records must be retained during the life of the dispute. Where such a "legal hold" becomes necessary, the Legal Department will issue instructions to appropriate employees. All employees must follow these rules.

Preserving records beyond the mandated periods can itself be legally risky as well as wasteful in terms of storage costs. Therefore, the policy explains when records should be destroyed after their scheduled retention period expires plus the lifting of any legal holds.

To help us preserve the integrity of the recordkeeping and reporting systems, you have an obligation to know and comply with the Company's Records Retention Policies and Procedures and the Records Retention Schedule. This includes how data are shared, stored and retrieved and the circumstances under which it may be disposed of. If you have a question regarding local records retention requirements, contact a member of the Legal Department.

My Obligations as an Employee

- Do not make false or misleading entries in the Company's books and records.
- Speak up if I am not sure of the accuracy of information in a Company record.
- Maintain records for a time period and in a manner required by our Company's record retention policy, but no longer unless a specific legal hold has been placed on the records or I am otherwise aware of the threat of litigation.
- Do not improperly destroy or improperly alter records.
- Do not send offensive, defamatory, threatening, dishonest, unlawful, or otherwise improper communications.
- When creating emails, be factual: do not speculate or attempt to draw legal conclusions.
- Remember to respect and protect Company resources, which include business records.

Frequently Asked Questions

A financial account has been inactive for a number of years. I want to get rid of the records. I consulted the Records Retention Schedule, which says I need to keep the records from this account. What can I do?

You must retain the records from this financial account as stated in the Records Retention Schedule.

My boss has been pushing me to achieve certain productivity savings for a new product development project. I'm close but not quite at the cost saving he is demanding. In a recent email update, I overstated the potential cost savings to meet the numbers my boss needs. That is OK, right? I mean, I'm pretty confident I ultimately can get the project to provide these productivity savings.

Wrong. Your boss will rely on your email update and cost savings analysis in representations about the new product development project to his supervisors and in forecasting financial performance for your business. If you never achieve the productivity savings you said you already had achieved, the overstatements in your email could have serious consequences for the business. You should always be factual in your communications to the best of your abilities.

Where can I find more information/help?

You can access the Company's Records Retention Policies & Procedures and the Records Retention Schedule on *The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>*

Accounting and Financial Records and Controls

Overview

Consistent with our values, as well as the law, the Company's shareholders, directors and management are entitled to receive and to rely on financial statements that fairly present the Company's financial condition and results of operations. Allegion is committed to providing full, fair, accurate, and timely disclosure in reports and documents filed with or submitted to the U.S. Securities and Exchange Commission and other applicable regulatory agencies, as well as in all other public communications.

My Obligations as an Employee

- The Company's books and records must:
 - Be maintained according to U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS), as applicable.
 - Comply with local statutory reporting requirements.
 - Be accurate and complete in every respect.
 - Not contain any false or misleading entries.
 - Have entries recorded in a timely manner.
- No payments on behalf of the Company shall be approved or made with the intention or understanding that any part of such payment is to be used for an illegal or unethical purpose or for any purpose other than that described by the documents supporting the payment.
- No undisclosed or unrecorded funds or assets shall be established or maintained for any purpose.

Frequently Asked Questions

Getting a supplier set up in the system is time-consuming and laborious. Is it OK to keep a small petty cash fund in the office so I can get a small supplier paid?

Absolutely not. All Company accounts and funds expended on behalf of the Company must be accurately and properly recorded. Additionally, the creation, maintenance and use of petty cash or other types of cash funds is strictly prohibited, unless pre-approved by the Corporate Controller.

Our business agent has requested a \$25,000 cash advance for "expenses." As long as I don't exactly know that our business agent used these funds for an improper purpose, it is OK to pay the cash advance, right?

Absolutely not. This type of vague request is a warning sign that the funds may potentially be used for an improper purpose. Additionally, we have an obligation to obtain accurate documentation of the expenditure and accurately record the purpose of the expenditure in our books and records.

Where can I find more information/help?

Consult the Company's Financial Policies and FICAPs available on *The Allegion Employee Intranet here:* <https://allegion.sharepoint.com/inside-allegion/>

Audit Services and the Chief Compliance Officer are also available to help you.

Obligations of All Employees with Financial or Accounting Responsibilities

Overview

All employees with financial or accounting responsibilities must comply with the general provisions of this Code. Moreover, such employees must be aware of special responsibilities arising from their positions.

My Obligations as an Employee

- Maintain awareness of and perform duties consistent with financial and accounting-related laws, regulations and professional standards; request appropriate professional advice as needed.
- Be cognizant of potential violations of Company policies or laws that become visible through financial data and knowledge of business operations.
- Communicate all information as required by law and Company policy, whether favorable or unfavorable.
- Retain records according to the Company record retention policy.
- Promptly report any pressure from management exerted for the purpose of inappropriately influencing reported financial results with respect to accounting judgments and estimates.

Frequently Asked Questions

My business needs to fudge just a little to make its commitment for the quarter. Plus, I am certain real profits will be locked in very early in the subsequent quarter, and no one will ever see the reserve adjustment I plan to make to cover for the fake entry I make this quarter. This is OK, isn't it?

Absolutely not. We strictly follow our accounting policies, as they are an integral part of the system we rely on to maintain the integrity and accuracy of our internal and external financial reports. Manipulating results to achieve a quarterly target is a fraudulent activity and can result in termination of employment. In addition, you should never feel pressured to adjust any financial or accounting information to achieve a desired result. If you are pressured to do so, you should contact the Chief Compliance Officer or Audit Services immediately.

A senior business leader is leaning on me to make an accounting entry that, in my judgment as a junior accountant, is somewhat questionable. Based on what I know, the "right" answer could go either way. My best course of action is to keep quiet and do what the senior business leader wants, right?

Wrong. Everyone has a role to play in guaranteeing the integrity and accuracy of our internal and external financial reports. You should elevate your questions or concerns within your accounting group, or reach out to other resources in the Company, such as Audit Services or the Chief Compliance Officer, until you are satisfied with the resolution of the issue.

Where can I find more information/help?

Consult the Company's Financial Policies and FICAPs available on *The Allegion Employee Intranet here:* <https://allegion.sharepoint.com/inside-allegion/>

Audit Services and the Chief Compliance Officer are also available to help you.

Additional Obligations of Senior Financial Management

Overview

Senior financial management must be aware of additional special responsibilities arising from their positions.

My Obligations as an Employee

- Ensure that financial and accounting staffs have the appropriate level of functional expertise and resources to accomplish their duties.
- Detect and prevent any pressure on accounting personnel for the purpose of influencing financial results.
- Take all necessary steps to ensure that reports and other documents are accurate and complete in every respect.
- Do not exert any undue pressure on Company personnel to meet financial targets.

Frequently Asked Questions

Why do I need to spend time helping out on an internal audit review? Don't we have staff for that?

The integrity of our internal and external financial reports is everyone's responsibility. The assistance we provide our internal audit staff is but an extension of our obligation to conduct our business with integrity.

I am a very busy senior manager, and I do not have the time to look over the shoulder of my accounting staff. Isn't it enough that I set solid policies and expectations?

No. You must implement appropriate procedures that verify that the policies are being applied and followed and the expectations are being met.

We drive for results, that is a given. Do I really have the ability to professionally confront a senior business leader and discuss whether their drive for results is causing undue pressure on the accounting staff to make overly favorable accounting judgments?

Absolutely. Again, we all play a role in promoting the integrity of our internal and external financial reports. A central tenet of our Company culture is that we are expected to discuss, in a professional manner, topics concerning our Company with any of our colleagues, up to and including senior executives. You should contact the Ethics HelpLine for guidance on how to handle this type of situation.

Where can I find more information/help?

Consult the Company's Financial Policies and FICAPs available on *The Allegion Employee Intranet here:* <https://allegion.sharepoint.com/inside-allegion/>

Audit Services and the Chief Compliance Officer are also available to help you.

Code of Conduct

Responsibility to the Market

Communications with the Press, Investors and the Public

Overview

Occasionally, you may receive an inquiry from the press or the public. Employees are not authorized to answer questions from the media and the public. When approached for information, you must record the name of the person making the inquiry and immediately notify Corporate Communications or your local Communications Lead. In addition, securities laws require fair public disclosure of information concerning publicly-traded companies such as Allegion. Contacts of this nature might include requests from the media, securities analysts, or others for information about Company earnings or other financial matters; new products, processes or strategies; possible management changes; or mergers, acquisitions or other significant business events at the Company. All such inquiries should be directed to Corporate Communications.

My Obligations as an Employee

- Do not speak with the press, investors, or anyone in the public about Company earnings or other financial matters; new products, processes or strategies; possible management changes; or mergers, acquisitions, or other significant business events.
- Forward all requests for an interview, comments, or other information by the press, investors, securities analysts, or anyone in the public to Corporate Communications.

Frequently Asked Questions

A reporter called me looking for some basic information about the Company.

Can I answer his questions?

No. Even simple questions should be rerouted to Corporate Communications because you may not have all of the relevant facts. Even if you provide accurate information, releasing it at the wrong time could interfere with marketing plans and give our competitors too much time to react. In addition, uncoordinated disclosure could pose problems under securities laws if the information released was material inside information. Even disclosures that may seem harmless can create problems.

Where can I find more information/help?

You can access Corporate Communications Policies on *The Allegion Employee Intranet*

here: <https://allegion.sharepoint.com/inside-allegion/>

Or, you may contact:

Communications and Public Affairs
Allegion plc
11819 N. Pennsylvania Street
Carmel, Indiana 46032
United States of America

Use of Social Media

Overview

Emerging platforms for online collaboration are fundamentally changing the way we work, offering new ways to engage with customers, colleagues and the world at large. It is a new model for interaction, and we believe that use of social media can help the Company build stronger, more successful business relationships. It is also a way for you to take part in global conversations related to the products and services offered by the Company.

If you use social media as part of your employment with Allegion and for the Company's business purposes, you must remember that Company policies and our values apply in the social media environment.

My Obligations as an Employee

- Limit my interaction to my area of expertise.
- Do not disguise my identity; always disclose that I am an Allegion employee when participating in social media interactions as part of my employment with the Company.
- Post meaningful, honest, and respectful comments.
- Remember that my posts may easily go global – once it's out there, I can't recall it.
- Think before I post – when in doubt, do not post.
- Respect confidentiality.
- Consult with Corporate Communications before starting or engaging in any social media activity on behalf of the Company.
- Report misuse of Allegion-controlled social media sites, such as Facebook and Twitter, to Corporate Communications.
- Limit my use of personal social media accounts on Company time and equipment, including Company-provided mobile computing devices.

Frequently Asked Questions

I am a frequent visitor to one of the Company's social media forums. I have noticed several anonymous comments that are disrespectful to others. Is this appropriate?

Absolutely not. All employees must be transparent, honest and respectful when making use of the Company's social media forums. Making disrespectful or hateful comments is a violation of our core values.

I want to create a new Allegion-sponsored social media website for engineers to share and discuss design ideas and solutions. How do I go about doing this?

You should contact Corporate Communications for assistance. These resources can help you with branding concerns, content structure and development.

Where can I find more information/help?

For additional information, please consult the Company's Social Media Policy, available on *The Allegion Employee Intranet* here: <https://allegion.sharepoint.com/inside-allegion/>

You may also contact Corporate Communications.

Code of Conduct

Responsibility to the Market

Inside Information and Investment in Securities

Overview

Because Allegion's common stock is publicly-traded, employees and their families are prohibited from trading or recommending the trading of Allegion shares, options or warrants when they possess "material inside information" about the Company. Material inside information is nonpublic information—meaning it is not available to the general public—about Allegion that a reasonable investor would consider important in making a decision to buy, sell, or hold stock in our Company. This includes, for example, nonpublic information on earnings, changes in dividend rates, significant gains or losses of business, tender offers, or significant acquisition or divestiture negotiations. In addition, insider trading or recommending trading of other companies' securities (for example, Allegion's customers, competitors, or suppliers) when in possession of material inside information obtained in the course of employment by or association with Allegion also is prohibited by securities laws. Disclosing nonpublic material information, acting on such information, or recommending others to act based on the information violates rules covering insider trading laws.

Special rules and restrictions apply to directors, officers and financial executives. It is your responsibility to know and abide by these rules.

My Obligations as an Employee

- Do not buy, sell, or convert Allegion shares, options, or warrants when I have material inside information about Allegion.
- Do not transfer account balances or change allotments or investment directions if I invest in Allegion stock through any Company savings plans when I have material inside information about Allegion.
- Do not engage in any activity designed to profit from or hedge against decreases in the value of Allegion stock when I have material inside information about Allegion.
- Do not pass on material inside information about Allegion to customers, competitors, suppliers, friends, relatives, or others. If I do pass on material inside information, I may be criminally or civilly liable for violating securities laws, and my actions can subject the Company and its management to liability as well.
- Do not suggest to friends, relatives, or others that they should trade in Allegion shares or options when I have material inside information about Allegion.
- Do not discuss material inside information with co-workers, except to the extent that it is necessary for me to do my job. When doing so, ensure my discussion is not overheard.

In addition, directors and executive officers are prohibited at all times from (i) engaging in any activity that is designed to profit from or hedge against decreases in the value of Allegion stock; or (ii) holding securities in a margin account or pledging Allegion securities as collateral for a loan, except where a person wishes to pledge Allegion securities as collateral for a loan (not including margin debt) and can clearly demonstrate the financial capability to repay the loan without resort to the pledged securities. Any person who wishes to apply for an exception under item (ii) should contact the Senior Vice President and General Counsel of the Company. All other employees of Allegion are strongly discouraged from engaging in any of the above activities, even at times when they are not in possession of material inside information.

Where can I find more information/help?

Any questions you may have regarding the applicability of the securities laws to our business practices should be referred immediately to the Company's Assistant Secretary. The Company's [Insider Trading Policy](#) is available on *The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>*

Competition Laws

Overview

Fair competition is a fundamental principle of our free enterprise system. The purpose of competition laws, also known as antitrust, monopoly, or fair trade laws, is to protect the competitive market system.

The Company will not engage in or support illegal activities that improperly restrain trade or that constitute unfair business practices or predatory economic conduct. All employees must obey the competition laws of all countries where the Company does business. Also, the Company and its employees must abstain from any activity that may violate or give the appearance of an intention to violate competition laws.

Competition laws are complex and the penalties for violations – for both companies and individuals – can be severe. While there are differences between the competition laws in many countries, generally the same types of conduct are prohibited.

My Obligations as an Employee

I will not enter into any agreement or arrangement with any other person to:

- Fix or agree to fix prices or terms or conditions of sale for competing products or services;
- Divide or allocate customers, bids, markets, or territories for competing products or services;
- Refuse to sell to particular buyers or to buy from particular suppliers; or
- Exchange nonpublic sales or price information.

Improper agreements do not have to be in writing. Even oral agreements or “handshakes” may violate antitrust or competition laws. In addition, these oral agreements are sometimes inferred merely from the actions of competitors, including conversations with competitors. As a result, no employee should ever discuss with competitors the activities described above or other matters that might be construed to restrict or limit competition improperly.

Frequently Asked Questions

A sales representative from a competitor, whom I know socially, asked me to refrain from bidding on an upcoming project so that they may achieve their quarterly sales quota. I’m told that, in exchange, the competitor will “return the favor” next quarter. I did not commit to anything, but ended the conversation with “I’ll think about it.” On bid day, I do not submit a bid. Have I violated the antitrust laws?

Perhaps. Intentions can be muddled by external circumstances. Here, we had a right to do what we did, but you have created an appearance issue, which could be used to create liability. The failure to repudiate the potential bid allocation discussion in the moment, coupled with your subsequent confirming behavior, may be enough to support a finding that you entered into an illegal agreement to allocate bids, even without an oral agreement or written document. You should have ended the conversation immediately when you realized that the conversation was about bid allocation, and then submitted a competitive bid on bid day. The Company absolutely has the right to run its businesses in the manner it believes is optimal based on the exercise of its independent business judgment. Therefore, if the conversation above had not occurred, you would not be compelled to submit a bid on the Company’s behalf.

Since the Company has great latitude in the exercise of its independent business judgment, can't we agree with our best customers and suppliers to only deal with each other?

No. Typically, sellers may exercise great freedom in determining the terms and conditions on which they will deal (if at all) with other parties and they may discontinue sales relationships whenever they choose. However, refusals to deal may be challenged, if instead of being unilateral, they arise by way of agreements with others. All such refusals must be submitted to the Legal Department for approval.

Where can I find more information/help?

The antitrust and competition laws are extremely complex and are often non-intuitive. If you have an antitrust or competition issue, contact a member of the Legal Department. U.S. and European employees may also locate additional U.S. Antitrust and European Competition Laws guidance on *The Allegion Employee Intranet here:* <https://allegion.sharepoint.com/inside-allegion/>

Global Trade Compliance

Overview

Most countries have laws regulating international trade – such as imports, exports, free trade agreements, and international financial transactions – for national security, revenue protection, or other reasons. Allegion's policy is to comply fully with these and all other international trade controls.

Such regulations or laws may restrict transactions with certain countries or persons or transactions involving specified goods, technology, software, or services.

It is Allegion's policy to comply with all import and export regulations wherever we conduct business. Further, we will never seek to mislead or avoid the legal payment of duties, taxes, or fees, or to evade the legal requirements of international traffic and trade.

It is Allegion's policy to participate in free trade agreements only if all legal requirements are met.

Consistent with U.S. laws, it is Allegion's policy not to cooperate with any request concerning boycotts or related restrictive trade practices.

Export Restrictions

Employees involved in the export or re-export of goods, services, technology, or software must be familiar with and follow the regulations of all countries where Allegion does business. Such rules may restrict transactions with certain countries or persons or transactions involving specified goods, technology, software, or services. Employees must also be aware that U.S. export control laws and regulations apply to our global Allegion companies and employees. Employees are responsible for knowing with whom they are dealing and must not facilitate business with entities or individuals specifically prohibited by law, or countries that may fall under comprehensive trade embargoes or economic sanctions. Employees must obtain advice and approval from the Director of Global Trade Compliance concerning export or re-export of goods, technology, software, or services, including transactions involving a Company affiliate.

Anti-Boycott Laws

Certain countries attempt to condition commercial relations on a pledge to abstain from conducting business with the governments of, or conducting business in or with, certain "boycotted" countries or with companies that do business in such countries, or otherwise to discriminate based on race, religion, or national origin. In addition, some countries require the provision of information concerning business relationships with "boycotted" countries or with companies that do business with such countries. For example, under U.S. law, the Company is required to report to the U.S. Government and not cooperate with any request concerning boycotts or related restrictive trade practices. As such, agreeing to the conditions and/or providing such discriminatory information is expressly forbidden and penalized by U.S. law. Generally, the U.S. restrictions apply to Allegion and its worldwide affiliates.

Import Laws and Regulations

Governments around the world have developed and implemented laws and regulations to monitor the importation of goods, services and technology into their respective countries. As well as protecting a given nation's revenue and industry by assessing and collecting duties, taxes and fees incidental to international traffic and trade, new laws have been implemented to promote security in many nations. It is Allegion's policy to comply with all import regulations wherever we conduct business, and we will never seek to mislead or avoid the legal payment of duties, taxes, or fees, or to evade the legal requirements of international traffic and trade.

Free Trade Agreements

Many international preferential trade agreements (also known as free trade agreements) have been developed and adopted to stimulate trade between countries or blocks of countries by reducing or eliminating customs duties and taxes on originating goods. As an example, the North American Free Trade Agreement (NAFTA) was established in 1994 to create a free trade area among Canada, the United States and Mexico. Many other bilateral and/or multilateral trade agreements are in place around the globe, with many more in the process of negotiation. Free trade agreements afford preferential duty treatment for goods that are deemed “originating.” In many cases, very complex qualification processes are required to confer originating status for a particular item. It is Allegion’s policy to participate in the use of a given free trade agreement only if all legal requirements are met.

Supply Chain Security

Many customs authorities around the world have implemented supply chain security programs, in partnership with industry, to ensure their import supply chains are secure and to protect against the unlawful introduction of weapons, drugs, contraband and persons.

Several Allegion companies are actively involved in such supply chain security programs, and Allegion, as a policy, requires its shippers and suppliers to ensure all shipments are correctly manifested, carefully inspected and secured with high-security seals (when permissible). Any signs of compromise to Allegion shipments, or evidence of tampering, should be immediately reported to the Director of Global Trade Compliance.

My Obligations as an Employee:

- If involved with the export or re-export of goods, services, technology, or software, I must be familiar with and follow the regulations of all countries where Allegion does business.
- I am responsible for knowing with whom I am dealing and must not facilitate business with entities or individuals specifically prohibited by law, or countries that may fall under comprehensive trade embargoes or economic sanctions.
- I understand that U.S. export control laws and regulations apply to our global Allegion companies and employees.
- I must obtain advice from the Director of Global Trade Compliance concerning export or re-export of goods, technology, software, or services, including transactions involving a Company affiliate.

Frequently Asked Questions

What is an Export?

Any item that is sent from one country to a foreign destination is considered an export. “Items” include articles such as locks, exit devices, promotional materials, production samples, replacement parts, and other tangible goods. “Items” also include intangible materials such as software or technology that are electronically transmitted, as well as physical or electronic copies of drawings, blueprints and technical information.

Are there certain countries that Allegion is prohibited from exporting to?

Yes. For legal and policy reasons, all sales by any Allegion entity anywhere in the world that are destined to Cuba or Iran are strictly prohibited. Varying levels of restrictions on sales to many other countries exist and regularly change. All Allegion employees involved in cross-border export sales or administration should familiarize themselves with Company policy and training materials. For further guidance, seek advice from members of the Legal Department’s Global Trade Compliance team.

I know a certain product is manufactured in the United States. Does that mean it would automatically qualify for preferential duty status for Free Trade Agreements such as the North American Free Trade Agreement (NAFTA) or the Central America Free Trade Agreement (CAFTA)?

No. Merely manufacturing a good in the United States does not automatically mean that the good would be eligible for preferential duty status. In most cases, complex qualification processes are required to confer “originating” status for a particular item. Many goods that are manufactured in the United States do not qualify for preferential duty status due to more global supply chains and the inclusion of key raw materials imported from other countries.

Could training or even merely having a conversation in the United States with an Allegion colleague from a foreign country be considered an export and regulated by U.S. export control law?

Yes. This is called a “deemed export.” An export of technology, which could come in the form of training or even a conversation, is “deemed” to take place when it is released to a non-U.S. person within the United States. Under most circumstances the non-U.S. person will return to his / her country of residence, thereby taking the technology to his / her home country.

I am importing samples of parts into China from a supply location in India. They are samples and my supplier is not invoicing me for them. Do I still need to declare them to China customs?

Yes. Customs entries and Customs declaration are required for all import shipments regardless of size or value. Additionally, the value of the imported goods must reflect the actual commercial value of the goods, even if your supplier is not invoicing you.

Where can I find more information/help?

Contact the Director of Global Trade Compliance or go to the Allegion International Trade Compliance website at ***The Allegion Employee Intranet here: <https://allegion.sharepoint.com/inside-allegion/>***

Key Points

- Allegion policy is to comply fully with export restrictions, customs, anti-boycotts, and other international trade controls.
- Employees involved with the export or re-export of goods, services, technology, or software must be familiar with and follow the regulations of all countries where Allegion does business.

Money Laundering and Exchange Control

Overview

Money laundering means moving the proceeds of crimes to hide where they came from, or transferring legitimate funds for criminal purposes, including terrorism. Certain anti-money laundering laws are not limited to financial institutions, and Allegion is committed to taking all reasonable steps to prevent our goods and services from being used for illegal purposes or from otherwise assisting in money laundering. Unusual requests, such as requesting to exchange funds through offshore accounts, should be a warning to employees of the possibility of money laundering.

Many countries also have currency and exchange control laws. Allegion requires employees to be familiar with and abide by such laws.

My Obligations as an Employee

- I must file reports required for transactions in the U.S. involving \$10,000 or more in cash or cash equivalents.
- If I am concerned about the source of funds of a customer, I must err on the side of caution and report it to my manager, the Ethics HelpLine, or a member of the Legal Department or the Chief Compliance Officer.

Frequently Asked Questions

A customer has arranged to buy equipment from us through one of its affiliates in a different country and provided banking information based in yet a third country. The affiliate is incorporated in a country that is well-known as an off-shore tax haven. Should I be concerned about possible money laundering?

Yes. We must be careful about transactions in which payments are made to, or from countries, that differ from where the equipment will be sold, where the services will be provided, or where the contracting party's employees and main offices are located. Another warning sign would be payment from a third party that is not the party with which Allegion contracted, especially if that party is located in a country not related to the transaction. Such transactions may involve money laundering or tax evasion, or may facilitate corrupt payments. You should contact the Legal Department or the Chief Compliance Officer for guidance.

A new customer asked us to set up a payment arrangement that involves a third party. It is an unusual request, but I want to be responsive to a customer. What should I do?

Although it is important to satisfy a customer, you need to report any suspicious requests or transactions to the Legal Department or the Ethics HelpLine. International money brokers often "launder" money obtained illegally by buying goods from legitimate companies and their distributors. They will often pay for these goods in strange ways, like wire transfers from unrelated third parties. Before any payments can be made to a third party intermediary, they must be appropriately vetted by the Chief Compliance Officer and must have the appropriate documentation that supports monies are due for legitimate business services provided. Ask for advice from the Legal Department or the Ethics HelpLine. Also refer to Standards of Internal Control 15.2 (Business Partner (TPI) Vetting) and 15.2C (Payments to Business Partners) for more information.

Where can I find more information/help?

For more information, or if you need help with a particular situation, contact the Legal Department.

Marketing and Related Activities

Overview

Protecting Allegion's integrity depends on not only providing quality products and services but on marketing those products and services with honesty and integrity. All marketing, sales, advertising, and promotional activities must be truthful in all respects. We will not make false or misleading claims about our products or services, nor will we do so about the products and services of our competitors. Any comparative advertising must be approved in advance by the Legal Department.

Product and Quality Service

Maintaining the high quality of our products and services is critical to the continued success of our Company. We never compromise governmental or Company quality standards. All records concerning quality matters must be accurate and complete.

Other Customer Service Requirements

Our interactions with customers must be professional in every respect. We must be aware of and follow customer rules and applicable practices when at a customer's facility. We must take great care in handling customers' property that we service. Time charges and other billings to customers must be correct. To ensure accuracy, time sheets should be completed on a daily basis.

My Obligations as an Employee

- Be aware of and follow all applicable manufacturing or service standards.
- Follow procedures for the storage, handling and shipping of products.
- Make sure all advertising and marketing materials are truthful and accurate.
- Do not sacrifice quality standards in an effort to achieve cost savings goals.
- Maintain accurate time sheets at all times and ensure that customers are billed correctly.
- Report any quality concerns.

Frequently Asked Questions

My supervisor told me we are behind on deliveries on an important contract and must “do whatever it takes” to get the product delivered by month-end. I am concerned that our normal quality standards will be ignored to meet the delivery requirements. What should I do?

Talk to your supervisor to clarify his instructions and explain your concerns. If you are not satisfied, contact the Legal Department or the Ethics HelpLine. Allegion has a reputation for quality, and we will not lower our standards in order to meet deadlines. Each employee has a personal responsibility to ensure that we can continue to achieve Allegion's quality criteria.

Where can I find more information/help?

For more information, or if you need help with a particular situation, contact Corporate Communications or the Legal Department.

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Political Activities and Contributions

Overview

The laws of many countries prohibit or set strict limits on contributions by corporations to political parties and candidates. Although employees may engage in personal political activity, they are prohibited from doing so on behalf of the Company or in their capacity as a Company employee.

My Obligations as an Employee

- In my capacity as an Allegion employee:
 - Do not make any direct or indirect political contribution or expenditure on behalf of the Company or any of its subsidiaries, unless authorized by the Chief Compliance Officer. This prohibition includes both making an expenditure in my capacity as a Company employee and expensing such a cost to the Company.
 - Do not buy tickets for a political fund raising event.
 - Do not attend a political fund raising event.
 - Do not provide meals, goods, services, travel, accommodations, or tickets for sporting and entertainment events related to political campaign or fundraising events.
 - Do not loan personnel during working hours for fundraising activities.
 - Do not pay for advertising and other campaign expenses.
- Do not use Company time, property, or equipment for personal political activities.
- Personal political activities must not be perceived as being activities of Allegion.
- Do not use Company email, stationary, or letterhead for personal political activities.
- Do not attempt to influence, on behalf of the Company, another employee's decision to make, or refrain from making, a personal political contribution.
- Consult the Legal Department or the Chief Compliance Officer before serving as a government official or running for elected office.

Frequently Asked Questions

A colleague has been spending his lunch hour visiting other employees and soliciting signatures on a petition for a local political candidate to qualify for the upcoming election cycle. Is this appropriate?

No. While the Company encourages employees to participate in political activities on their own time outside of working hours and off Company property, soliciting signatures for a petition or carrying on other personal political activities on Company property during working hours is prohibited. Not only is it disruptive to the workplace, but strict laws apply to corporate political activity, and personal political activities must not be perceived as being political activities carried on by Allegion.

I went to a fundraising dinner for a pro-business candidate for a local government office. This candidate takes positions favorable to Allegion's interests. Can I claim the dinner on my expense report?

No. If you did this, it would be considered a political contribution. While you are free to attend political fundraising events as an individual, you must not use Allegion assets or funds. If you have further questions about your involvement and whether it may create a conflict of interest or violate political activity laws or regulations, discuss it with the Legal Department.

Where can I find more information/help?

For more information or guidance, you may contact:

Chief Compliance Officer
Allegion plc
11819 N. Pennsylvania Street
Carmel, Indiana 46032
United States of America

Lobbying

Overview

Although Allegion is prohibited from directly participating in contested elections with candidates from different political parties, the Company will continue to engage in policy debates on subjects of legitimate concern to the Company by processes such as lobbying. Special rules may apply to any lobbying activity, such as disclosure requirements. You may be engaged in lobbying if you communicate with government officials about legislation or regulations that could impact the Company.

My Obligations as an Employee

- You must consult with the Legal Department; Communications and Corporate Affairs; or the Chief Compliance Officer in advance for guidance and approval if I wish to:
 - Contact any government officials or their staff; or
 - Engage in efforts to influence legislative or administrative action.

Frequently Asked Questions

A legislator's assistant called me, a tax accountant, to ask me some questions about Allegion's opinion about tax legislation introduced by that legislator. The proposed legislation will directly impact Allegion's tax responsibilities in the jurisdiction. May I speak to this person?

No. Although this person contacted you, talking to him or her would still involve communicating with a government official about legislation that will impact the Company. You should not return this person's call, and instead you should notify the Legal Department or the Chief Compliance Officer of this person's inquiry.

Where can I find more information/help?

For more information or guidance, you may contact:

Chief Compliance Officer
Allegion plc
11819 N. Pennsylvania Street
Carmel, Indiana 46032
United States of America

Legal Proceedings

Overview

Allegion must respond, and is committed to respond, to all formal legal claims and regulatory inquiries. Such claims and inquiries may involve summonses, complaints, subpoenas, official regulatory correspondence, or other similar documents. An employee who receives any of these documents must immediately forward them to the Deputy General Counsel – Litigation or other appropriate member of the Legal Department. Similarly, you should immediately notify someone in the Legal Department if you are contacted informally by a government or law enforcement representative for information by telephone or in person. The Legal Department must be made immediately aware of any such inquiries or investigations and, generally speaking, where permitted by law, the Legal Department will be responsible for coordinating the Company's official response. Do not provide information in response to any such inquiries without the written approval of the Legal Department, unless the request is in the form of a court-authorized search warrant or an authorized government search or raid. However, even when presented with a search warrant, you must contact the Legal Department immediately.

Allegion is committed to being responsive to all formal legal claims and regulatory inquiries. Further, if you are asked by a member of the Legal Department to provide information in connection with a government or regulatory agency inquiry or investigation, you must make sure that any information you provide is truthful and accurate.

Some official court and other government documents are required by rules to be personally delivered to a representative of the Company at a Company site. From time to time, process servers may appear at an Allegion facility to deliver such official papers (for example, a subpoena). Unless you have been authorized by someone in the Legal Department to accept such papers on behalf of the Company or one of its legal entities, you should decline to accept any such papers if asked, explain that you are not an authorized recipient and contact the Legal Department immediately. Occasionally a process server will insist on leaving the official papers with an unauthorized recipient anyway. If this happens to you, you must scan and forward the papers immediately to the following address: GlobalLitigation@allegion.com.

You may not resolve any legal claim, whether brought by a government regulator or a private claimant, without participation by and approval of the Legal Department.

My Obligations as an Employee

- Do not provide information, whether oral or written, or records or files of any nature to outside parties in connection with legal inquiries without the written approval of the Legal Department; an exception to this rule would occur where law enforcement officers present themselves to immediately execute a court-authorized search warrant or an authorized government search or raid, in which case I must comply. However, even then I should notify the Legal Department at the earliest possible moment.
- When working with investigators, through the Legal Department or directly, do not attempt to obstruct in any manner the collection of information, data, testimony, or records by government or regulatory officials.
- Do not mislead any investigator or other government or regulatory official.
- Do not conceal, alter or destroy documents, information or records that are subject to an investigation or inquiry.
- Do not attempt to hinder another employee from providing accurate information.
- Do not retaliate against anyone who cooperates with the government or regulatory agencies.
- Do not settle, or enter into any agreement regarding, any legal or regulatory matter without the prior approval of the Legal Department.
- If called to provide sworn testimony or a written statement, I must be scrupulously accurate.

Frequently Asked Questions

I received a request from the Legal Department for documents in my possession that are potentially relevant to a request for documents the Company received from opposing counsel in a litigation matter. I reviewed the list of documents requested, and I do not think many of my documents are really very relevant. Do I need to provide these documents to the Legal Department as part of the document collection?

Absolutely. It is the responsibility of the Company's lawyers, potentially with the help of outside counsel, to analyze the documents and decide if they are responsive to opposing counsel's request. If your documents fall within the Legal Department's document collection request, you must submit those documents, regardless of whether you think those documents are truly relevant.

Several employees in my department have been subpoenaed to testify as witnesses in a personal injury case filed against the Company. The trial has lasted several days and is ongoing. In a break room, I overheard one employee who already testified talking about his testimony to another employee who is scheduled to testify in a few days and making suggestions about how she should answer certain questions. Is this OK?

Absolutely not. The employee who has already testified is potentially affecting the other employee's ability to provide accurate information at trial, even if it was not the employee's intent to do this. You should contact the Legal Department immediately.

Where can I find more information/help?

Additional guidance is available in the Business Records and Communications Section. You may also contact the Legal Department for additional information or assistance.

Special Note for Employees Located in the European Union

Overview

Throughout this Code of Conduct, we provide the Ethics HelpLine as one of several resources that employees can use to report a situation that may violate the law, the Code, or conflict with our values. Requirements under local law, however, limit the use of the Ethics HelpLine by our employees located in the European Union.

If you are an employee located in the European Union, you may contact our Ethics HelpLine 24 hours a day, seven days a week, when you prefer a confidential way to get advice or to report a situation involving financial or control matters such as questionable accounting or auditing matters or other statutory or regulatory obligations of internal control in the financial, accounting, banking, or anti-bribery areas. Under local law, the Company may be restricted from accepting your call to the Ethics HelpLine to report a violation involving potential or apparent violations of law, or of this Code, for any area outside of financial or control matters.

When contacting the Ethics HelpLine to report a situation involving a financial or control matter, you are encouraged to give your name.

The Ethics HelpLine is just one of several resources available to you and is intended to be an alternative communication channel. While under applicable law, employees located in the European Union are not obligated to report violations of the Code of Conduct, they are strongly encouraged to do so. You may report to your manager, Human Resources representative, the Chief Compliance Officer, or a member of the Legal Department any situation or behavior, including a potential or apparent violation of law, this Code, or a situation that conflicts with our values.

If you are an employee located in the European Union, all references to the Ethics HelpLine in this Code and other related documents and communications are subject to the restrictions on your use of the Ethics HelpLine as described above.

Rights Under European Data Protection Laws

Any person in the European Union who is the subject of an Ethics HelpLine report will be entitled to the notification, access and corrective action required under applicable data protection laws. Such rights, however, do not include the right to request information about third parties, such as the identity of the person who made the complaint.

Ethical Decision-Making / Ask Yourself These Questions

This Code addresses many situations. However, there may be times when the right decision is unclear. If you are faced with a difficult ethical decision, the right course to take might become clear if you ask yourself certain basic questions. For example:

1. Why is this situation bothering me?

- Do I really not know what to do, or am I reluctant to do what I know is right?
- Am I compromising my own personal ethics – or those of a colleague?

2. Who else is affected by my decision?

- What are the implications of my decision for the customers and suppliers of Allegion and my fellow employees?
- Are there conflicting interests that would require me to contact my manager or the Chief Compliance Officer?

3. How would I feel if my action—or my colleague's action—received publicity?

- Can I openly share my decision “in good conscience” with my family? With colleagues?
- What if my actions appeared on the front page of a newspaper?

4. What is the ethical concern?

- What do Allegion's policies and values say?
- Are there legal issues involved that would require me to consult with the Legal Department?
- Will my decision affect Allegion's reputation in doing business with a customer or supplier in the future?

5. To whom do I turn for further advice?

- Is there a person or function within the Company with expertise in this area who could help me?
- Is this something I am comfortable talking about with my manager and/or Human Resources?
- Is this something that I should escalate to the Chief Compliance Officer either directly or confidentially and/or anonymously through the Ethics HelpLine?

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Where to Find Help

Allegion has many resources available to guide employees in ethical and compliance situations. Employees wishing to seek guidance or to report concerns may do so by discussing the issue with a manager, supervisor, Human Resources representative, the Chief Compliance Officer or by sending an e-mail to ethicsandcompliance@allegion.com.

If you would like to report an ethics or compliance concern to our independent **Ethics HelpLine**, you can do so by telephone or online by following the instructions below: .

For employees in the United States and Canada, the Ethics HelpLine can be accessed directly by dialing 855.807.3267.

For employees in all other countries, dial the access code shown below and then enter 855.807.3267 when prompted.

Access Codes *:

Australia - Optus 1-800-551-155
Australia - Telstra 1-800-881-011
Austria - 0-800-200-288
Belgium - 0-800-100-10
Chile - ENTEL 800-360-311
Chile - Telefonica 800-800-288
Chile - Telmex 800-225-288
China - North, Beijing CNCG 108-888
China - South, Shanghai - China Telecom 10-811
China - China Telecom 108-10
Colombia - 01-800-911-0010
Czech Republic ** - 00-800-222-55288
Denmark - 800-100-10
France - France Telecom 0-800-99-0011
France - Telecom Development 0805-701-288
Germany - 0-800-225-5288
Hong Kong - Hong Kong Telephone 800-96-1111
Hong Kong - New World Telephone 800-93-2266
India - 000-117
Ireland *** - 1-800-550-000

Italy - 800-172-444
Mexico - 01-800 288-2872 (English)
Mexico - Por Cobrar 01-800-112-2020 (Spanish)
Netherlands - 0800-022-9111
Panama - 800-0109
Poland - 0-0-800-111-1111
Russia - outside Moscow 8-495-363-2400
Russia - outside St. Petersburg 8-812-363-2400
Russia - St. Petersburg 363-2400
Russia - Moscow 363-2400
Singapore - SingTel 800-011-1111
Singapore - StarHub 800-001-0001
Spain - 900-99-0011
Switzerland - 0-800-890011
Taiwan - 00-801-102-880
Turkey - 0811-288-0001
United Arab Emirates - 8000-021
United Kingdom - British Telecom 0-800-89-0011
United Kingdom - C&W 0-500-89-0011
United Kingdom - NTL 0-800-013-0011

* If the access code shown for your country changes, please go to <http://www.business.att.com/bt/access.jsp>

** Not available from cellular phones

*** From Northern Ireland use UK British Telecom access code

To Make An Online Report:

Submit a confidential report through the internet at www.allegion.com/helpline.

About Allegion

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