



Techtronic Industries

TECHTRONIC INDUSTRIES CO. LTD.

COMPLAINT RESOLUTION POLICY AND PROCEDURE

(Update on 1 May 2010)

The Stock Exchange of Hong Kong Limited  
Ordinary Shares (code:669)

ADR Level 1 Programme (code: TTNDY)

**TECHTRONIC INDUSTRIES CO. LTD.  
AND ITS SUBSIDIARIES  
("TTI")**

**COMPLAINT RESOLUTION POLICY AND PROCEDURE**

**1 Definition**

- 1.1 "TTI" shall mean Techtronic Industries Company Limited and/or its subsidiaries and affiliates.

**2 Purpose**

- 2.1 As specified in TTI's Code of Conduct, we are committed to conducting business ethically and in compliance with all applicable laws and regulations. We encourage any person to report to us any action, situation or circumstance that appears to be in violation of the Code of Conduct or of any laws, regulations or our other internal policies (including internal policies and codes of conduct of TTI subsidiary companies). Therefore, this policy has been established to provide a mechanism for the reporting of such concerns anonymously if desired without fear of retaliation. This policy sets forth the procedures for the receipt, retention, and treatment of complaints received by the Company relating to nonfinancial matters as well as accounting, internal accounting controls or auditing matters to ensure proper processes with regard to the same as well as for the purpose of combating bribery, banking and financial crime. This policy is not intended to question financial or business decisions made by TTI or its management. Furthermore, this policy is intended to supplement any complaint resolution policies and procedures in place at TTI subsidiary companies, and not to supersede those policies and procedures.
- 2.2 This policy is being implemented in accordance with TTI's commitment to good corporate governance.

**3 Scope**

- 3.1 This policy is applicable to all employees worldwide of Techtronic Industries Co. Ltd. and its subsidiaries and affiliates (collectively "TTI"). It is the responsibility of TTI's Audit Committee to oversee the functioning of this policy and process.

## 4 Reporting of Information

- 4.1 No Retaliation. We will not tolerate any harassment, threats or acts of retaliation or any type of discrimination or other adverse employment action against any employee for having, in good faith, made a complaint or cooperated or assisted with an investigation. However, an employee's right to be protected from retaliation does not extend immunity to that person for any complicity in the matters that are the subject of a complaint or investigation. We also will not tolerate attempts to harm or slander another through false accusations, malicious rumors, or other bad faith actions, all of which may result in disciplinary or other action up to and including termination of employment.
- 4.2 Reporting Mechanism. Any person with a complaint may report the information to TTI's General Counsel, Dyann L. Kostello, who can be reached by email at [dyann.kostello@tti.com.hk](mailto:dyann.kostello@tti.com.hk) or by telephone at +1.262.385.4117 (US mobile number). Alternatively, reports can be made confidentially and anonymously by contacting Fulcrum Financial Inquiry LLP. Fulcrum Financial Inquiry LLP is an independent third party that TTI has retained to receive and process anonymous complaints. Fulcrum Financial Inquiry LLP may be reached by mail at Fulcrum Inquiry, Whistleblower Department, 888 S. Figueroa Street, Suite 2000, Los Angeles, CA 90017; by email at [whistle@fulcrum.com](mailto:whistle@fulcrum.com) ; by fax at +1.213.891.1300 (US fax line) and by telephone at +1.213.891.1906 (US phone line) / 4001.204954 (PRC toll free number).
- 4.3 Confidentiality/Anonymity. All complaints will be handled in accordance with the procedures set forth in this policy. The identity of anyone making a complaint or reporting information will be kept confidential to the fullest extent permitted by law. It should be noted, however, that in some cases it may not be possible to proceed with or properly conduct an investigation if the complainant is not identified, because it may be difficult or impossible to ask appropriate follow-up questions, locate relevant documents, or otherwise fully assess the situation. All complaints will be processed in accordance with the procedures set forth in this policy, anonymous or not. Consideration will be given to the seriousness of the subject matter and the credibility of the report and with respect to anonymous complaints, the likelihood of being able to investigate and confirm or refute the report from alternative sources. Further, the Company will take all technical and organizational measures in order to preserve the security of the information and related personal data when it is collected, processed and stored.
- 4.4 Content of Reports or Complaints. To assist TTI in conducting the most effective investigation possible, when making a report, provide facts rather than speculation and include as much information as possible, including the names of any persons believed to have witnessed the activities or events complained of; the names of all persons involved in the activities; any documents believed to exist that would tend to prove the subject matter complained of; and the dates of any

events that form part of the subject matter of the report.

## **5 Procedure for Processing Complaints**

5.1 Intake and Initial Evaluation. All information reported will be recorded in an initial intake report prepared by the person to whom the report is made, either the General Counsel or Fulcrum Financial Inquiry LLP. The General Counsel will receive the report and will then conduct an initial evaluation of the seriousness and nature of the matter to determine the appropriate scope of the investigation and the appropriate party or parties to conduct it, unless the report concerns the General Counsel, in which case it will be referred to the Finance Director who will then conduct the initial evaluation and determine the appropriate scope of the investigation and the appropriate party or parties to conduct it. In addition, all legal and regulatory requirements in the jurisdictions in which the Company does business will be followed, including, when the information is reported through Fulcrum Financial Inquiry LLP and relates to an individual residing in the European Union, the individuals that are the subject of the report (the "Accused Data Subject(s)") will be advised as soon as possible of (1) the facts he/she is accused of, (2) the entity of the TTI group that is responsible for the complaint reporting scheme concerned, (3) the individuals or departments which may receive the report within the Company or in other entities of the TTI group and (4) how to exercise his/her rights of access and rectification. Information reported through any other communication channel will be forwarded confidentially in a written report to the General Counsel for an initial evaluation as described above.

5.2 Preliminary Inquiry. After the General Counsel receives the reported information and determines that further inquiry is needed, inquiry will be conducted to determine the basic facts relevant to the information reported. This inquiry will be conducted by the Legal Department, and if necessary or appropriate, and to the extent permitted under applicable regulatory requirements, in cooperation with the Internal Audit and/or Human Resources Departments and/or such other internal personnel or external advisors as are determined appropriate by the General Counsel. All information and related personal data are only collected, processed and stored for the explicit purposes as specified under II above, and are processed in strict line with the principle of proportionality in an adequate, relevant and non-excessive manner.

If it is determined that information reported relates to any of the following, the Legal Department will report the information to the Audit Committee, and the information will be investigated as provided in Section 5.3 below: (1) accounting, internal accounting controls, or auditing matters, as well as combating bribery, banking and financial crime, or (2) any fraud, whether or not material, that involves management or other employees who have a significant role in internal controls.

If, after the preliminary fact finding inquiry, the General Counsel determines that the issue requires further inquiry, and the issue does not relate to one of the matters to be reported to the Audit Committee as discussed above, the matter will be further investigated as provided in Section 5.4 below.

If, after the preliminary fact finding inquiry, the General Counsel determines that the issue can be resolved without any further inquiry, a written report summarizing the preliminary inquiry and the resolution of the issue will be prepared by the Legal Department, as more fully discussed in Section 5.5 below.

- 5.3 Audit Committee Investigations. The Audit Committee will review any information referred to it and will decide upon an appropriate investigation, taking into account such information as it deems relevant to that decision including any recommendations from the General Counsel and/or the Director of Internal Audit. The Audit Committee may refer the information to appropriate management personnel or other internal resources for investigation or may retain outside advisors to conduct an investigation. The fees and expenses of any outside advisors will be paid by the entity to which the investigation relates. After the conclusion of an investigation, a written report summarizing the investigation will be delivered to the Audit Committee by the investigating party and the Audit Committee will determine the appropriate action to be taken with respect to the information reported.
- 5.4 Legal Department Investigations. With respect to any information requiring further investigation that is not referred to the Audit Committee, the General Counsel will review the information and authorize an appropriate investigation. The General Counsel may refer the information to appropriate management personnel or other internal resources for investigation or may retain outside advisors to conduct an investigation. The fees and expenses of any outside advisors will be paid by the entity to which the investigation relates. After the conclusion of an investigation, a written report summarizing the investigation will be delivered to the General Counsel by the investigating party, and the General Counsel will determine the appropriate action to be taken with respect to the information reported.
- 5.5 Completion of Investigation. After the completion of any investigation, a written report summarizing the investigation and resolution of the issue will be prepared. The resolution of the issue will be communicated to the Complainant who reported the information, if known to TTI, and to the Accused Data Subject of the report (if residing in the European Union) either directly or, when applicable, through Fulcrum Financial Inquiry LLP for communication to these individuals.
- 5.6 Records. The Legal Department will retain the written records regarding all information reported and all investigations conducted after the conclusion of the

investigation, and will make provisions for retention of the information for such time period as it deems appropriate as well as ensuring that any personal data processed by this complaint processing scheme is deleted promptly, and usually within two months of completion of the investigation of the facts alleged in the report, unless legal proceedings or disciplinary measures are initiated against the accused data subject, or against the Complainant in cases of false or slanderous declarations.

5.7 Information rights, right of objection, right of access, rectification and erasure with respect to employees within the European Union

With respect to employees within the European Union, the Accused Data Subject will be informed by the Company as soon as possible after the report has been filed, as well as about his/her right of access to and right to rectify the data concerning him/her, to the extent giving such further information is feasible and, as the case may be, subject to any restrictions required in order to safeguard the rights and freedoms of the Complainant and other persons involved in the process. The Company will not disclose information about the identity of the Complainant unless allowed by applicable law, such as, for example, in case of malicious false statements made in the report.

Further, the Accused Data Subject shall have the right to object to the processing of his/her data, if and to the extent (s)he can claim compelling legitimate grounds relating to his/her particular situation, as well as to claim rectification or erasure of personal data where the same is incomplete or inaccurate.