



Techtronic Industries

TECHTRONIC INDUSTRIES CO. LTD.

SUPPLIER CODE OF CONDUCT

Techtronic Industries Company Limited Supplier Code of Conduct

Techtronic Industries Company Limited, together with its subsidiaries and affiliates ("TTI") has agreed to abide by moral and ethical values in the management of the company. TTI expects its suppliers to respect and adhere to the same philosophy in the management of their own companies. For the purposes of this TTI Supplier Code of Conduct, "Supplier" refers to the undersigned party.

TTI seeks to work exclusively with suppliers that agree to comply with this TTI Supplier Code of Conduct and abide by the Conventions of the International Labor Organization, the Universal Declaration on Human Rights and the relevant guiding principles of international organizations, as applicable.

This TTI Supplier Code of Conduct sets forth some basic requirements and principles which shall be complied with by Supplier, its owners, subsidiaries, affiliates, directors, officers, employees, agents, subcontractors, etc. Any breach of this TTI Supplier Code of Conduct shall result in a review by TTI and possible termination of Supplier's business relationship with TTI.

➤ LABOR

Forced Labor: The use of forced labor by Supplier, whether obtained under threat of punishment, withholding identity papers, requiring workers to deposit a bond or any other constraint is strictly prohibited.

Child Labor: Work by children under the age of 16 is strictly prohibited. In countries where local laws set a higher age for child labor or impose mandatory education beyond the age of 16, this higher age will apply.

Harassment and Abuse: Supplier shall treat its workers with respect and dignity. Supplier shall not allow or engage in any kind of corporal punishment, psychological or physical harassment or any other kind of abuse.

Discrimination: Supplier shall treat all workers equally and fairly. Supplier shall not practice any kind of discrimination in relation to hiring, access to training, promotion, or dismissal based on gender, race, religion, age, disability, sexual orientation, political opinions, nationality, or social or ethnic origin.

Wages and Benefits: At a minimum, Supplier shall pay regular wages and pay for overtime work at the legal rate imposed by the country of original manufacture and provide its workers with the benefits applicable law currently requires. If there is no legal minimum wage or overtime pay in the country of origin, Supplier shall ensure that the wages are at least equal to the average minimum in their industrial sector and that overtime pay is at least the same as the usual rate of pay. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.

Working Hours: In relation to working hours and overtime, Supplier shall comply with the maximum limits set by the laws of the country where it is located and/or the country where its workers work, whichever is lower. Supplier must ensure that all overtime work is voluntary and compensated at prevailing overtime rates. In any case, total number of working hours

per week shall not exceed sixty (60) hours, including all overtime, and at least one (1) day off in one (1) week.

Freedom of Association: Supplier shall respect and recognize the right of each worker to negotiate collectively, to create or join the union organization of their choice and without penalty, discrimination or harassment.

➤ HUMAN RIGHTS

Human rights: Supplier shall support and respect the protection of internationally proclaimed human rights and to ensure that it is not complicit in human rights abuses.

Health and Safety: Based on the specific risks present in its industrial sector, Supplier shall provide safe and healthy workplaces to avoid accidents or bodily injuries which may be caused by, associated with, or result from the work or from handling work-related equipment. Supplier shall set up systems to detect and avoid or neutralize any threat to its workers' health and safety and comply with applicable local and international regulations and laws currently in effect. If Supplier provides housing to workers, the same principles shall apply and such housing shall meet the basic needs of its workers. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers. Supplier shall assign responsibility for health and safety to a senior management representative.

➤ ENVIRONMENT

Supplier shall commit to create a clean and safe working environment. TTI encourages initiatives to reduce the impact on the environment, particularly through the use of environmentally-friendly technologies. Supplier shall comply with all relevant local and international environmental regulations and standards. Supplier shall assign responsibility for environmental matters to a senior management representative. Supplier shall be able to prove the effective implementation of the following requirements:

- The existence of an environmental management system, possibly ISO 14001 or EMAS certified.
- Proper waste management, with special attention to hazardous waste and emissions which may not be dumped or discharged in an unlawful manner.
- Workers whose work has a direct impact on the environment shall be trained, competent and have the necessary resources to do their jobs.

➤ WORKING METHODS

Legal Requirements: Supplier shall act in full compliance with all applicable laws. Without limiting the foregoing, Supplier shall abide by all applicable national, local and international laws, including but not limited to laws relating to the management of their businesses, health and safety, child labor, forced labor and freedom of association.

Corruption: Supplier shall adhere to the highest standard of moral and ethical conduct to respect local laws and not engage in any form of deceptive or corrupt practices, including but not limited to extortion, fraud or bribery.

Conflict of Interest: Supplier shall disclose to TTI any situation that may cause any conflict of interest, and disclose to TTI if any individual hired by TTI has or intends to acquire any interest of any kind in Supplier's business or any kind of economic ties/connection with

Supplier. Supplier shall declare any conflict of interest annually and from time to time where applicable by signing and submitting to TTI the "Declaration of Non-conflict of Interest" form provided by TTI.

Gifts and Hospitality: TTI does not accept any type of gift or any offer of hospitality if the gift or hospitality would influence TTI's relationships with Supplier.

Entertainment: The business relationship between TTI and Supplier sometimes requires proper entertainment. Business entertainment is proper; impropriety results when the value or cost is such that it could be interpreted as affecting an otherwise objective business decision. Following are examples of appropriate social amenities that are normally acceptable under this code:

- acceptance of refreshments before or after a business meeting; and
- acceptance of meals before or after a business meeting, or when otherwise business related, provided that the frequency is normally not more than once a week.

Transportation provided in Supplier's vehicle, or boat, for other than approved business trips is prohibited, as are other non-business related travel expenses paid by Supplier.

Customs and Security Authorities: Supplier shall comply with applicable customs laws, including but not limited to those relating to imports and the ban on the transshipment of merchandise into the country of import.

➤ INSPECTION AND AUDIT

Inspection: TTI reserves the right to check Supplier's adherence to this TTI Supplier Code of Conduct and to conduct compliance audits at any time with prior notice. Supplier shall supply necessary information and grant access to Supplier's premises and facilities to TTI representatives.

Access to information: Supplier shall keep proper records for at least fifteen (15) years to prove compliance with this TTI Supplier Code of Conduct. Supplier shall provide access to complete, original and accurate files to TTI representatives.

Any questions in relation to this TTI Supplier Code of Conduct can be addressed to TTI Legal Department (Address: 24/F, CDW Building, 388 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong; Tel: +852 2402 6339; Email: toni.yu@tti.com.hk).

In case Supplier becomes aware of any breach of this TTI Supplier Code of Conduct, Supplier is encouraged to provide prompt notice thereof to TTI's general counsel by email at dyann.kostello@tti.com.hk or by telephone at +1.262.385.4117 (US mobile number). Alternatively, Supplier may provide such notice on an anonymous basis by contacting Fulcrum Financial Inquiry LLP, an independent third party retained by TTI to receive and process such notices. 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, by fax at +1.213.891.1300 (US fax line) and by telephone at +1.213.891.1906 (US phone line) / 400.120.4954 (PRC toll free number). For more details on how to provide notice to TTI of breaches of this TTI Supplier Code of Conduct, please refer to the "Complaint Resolution Policy and Procedure" at the below link:

<http://www.ttigroup.com/assets/pdf/fileLibrary/Whistleblower Policy and Complaint Resolution Process.pdf>