



Techtronic Industries

# Supply Chain Compliance Policies Bundle

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Techtronic Industries

## Business Partner Code of Conduct

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# Contents.

Techtronic Industries Company Limited and its majority-owned or -controlled subsidiaries and affiliates throughout the world (“TTI Group” or “the Company”), Board of Directors and Executive Management Team are committed to abiding by moral and ethical values in respect to the management of the Company. This TTI Business Partner Code of Conduct (“Policy”) reflects TTI Group’s expectations that its Business Partner must respect and adhere to the same philosophy in the management of their own companies. For the purposes of this Policy, “Business Partners” or individually “Business Partner” refers to vendors/suppliers, distributors, dealers, joint-venture partners, agents, manufacturer’s representatives, intermediaries, consultants, contractors, subcontractors, licensees and other third parties engaged to provide goods or services to TTI Group.

TTI Group seeks to work exclusively with Business Partners that agree to comply with this Policy as well as all applicable laws and regulations - and abide by the Conventions of the International Labor Organization, the Universal Declaration on Human Rights and other relevant guiding principles of international organizations, as applicable.

This Policy sets forth some basic requirements and principles which shall be complied with by Business Partners and their owners, subsidiaries, affiliates, directors, officers, employees, agents and subcontractors. Any breach of this Policy shall result in review or investigation by TTI Group (including the use of unrelated third-party auditors, attorneys and/or consultants), corrective action programme and penalties including but not limited to termination of the business relationship with TTI Group.

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# Labor.

**Forced Labor:** The use of child, indentured, prison or any other type of forced labor by Business Partners, through the use of force, fraud, coercion and/or the 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:** Workers shall be treated with respect and dignity. Business Partners shall not allow or engage in any kind of corporal punishment, psychological or physical harassment or any other kind of abuse or threat of abuse.

**Discrimination:** Business Partners shall treat all workers equally and fairly. Business Partners 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, Business Partners 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 required by current applicable law. If there is no legal minimum wage or overtime pay in the country of origin, Business Partners 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, Business Partners 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. Business Partners must ensure that all overtime work is voluntary and compensated at prevailing overtime rates. Business Partners shall comply with the maximum working hour limits set by the countries in which they do business and/or where they are located.

**Freedom of Association:** Business Partners 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.

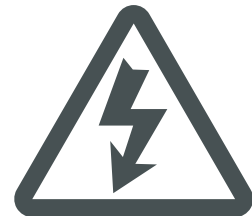
**Human Rights:** Business Partners shall support and respect the protection of internationally proclaimed human rights and to ensure that it is not complicit in human rights abuses. Business Partners shall comply with their local laws governing slavery and human trafficking and TTI's Policy Against Modern Slavery. <https://www.ttigroup.com/company/our-policies>

**Health and Safety:** Based on the specific risks present in its industrial sector, Business Partners 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. Business Partners 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 Business Partners provide 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. Business Partners shall assign responsibility for health and safety to a senior management representative.

# Environment.

Business Partners shall commit to create a clean and safe working environment. TTI Group encourages initiatives to reduce the impact on the environment, particularly through the use of environmentally-friendly technologies. Business Partners shall comply with all relevant local and international environmental regulations and standards. Business Partners shall assign responsibility for environmental matters to a senior management representative. Business Partners 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; and
- 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:** Business Partners shall act in full compliance with all applicable laws. Without limiting the foregoing, Business Partners 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:** Business Partners shall adhere to the highest standard of moral and ethical conduct to comply with local laws and not engage in any form of deceptive or corrupt practices, including but not limited to extortion, fraud or bribery. Offering anything of value (i.e., “bribes”) or other means of obtaining undue or improper advantage are not to be offered or accepted. Business Partners shall comply with TTI Group’s Anti-corruption Policy.  
<https://www.ttigroup.com/company/our-policies>

**Gifts and Hospitality:** TTI Group does not accept any type of gift or any offer of hospitality if the gift, or hospitality would influence or have the improper appearance of influencing TTI Group’s relationships with Business Partners. Business Partners, their representative or employees shall not give any gift, favour or anything of value, or hospitality to any person including but not limited to TTI Group’s officers, employees, agents, representatives, subcontractors, customers and their third party representatives, agents or advisers including but not limited to compliance auditors and quality assurance inspectors, or government officials in order to obtain any improper or favourable treatment.

**Entertainment:** The business relationship between TTI Group and Business Partners sometimes includes dining and/or entertainment. Reasonable business dining and/or entertainment expenses typically are deemed acceptable, however, impropriety may result when the value or cost is such that it affects, or could be interpreted as affecting, an otherwise objective business decision. The following are examples of appropriate social amenities that are typically 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 it is reasonable in amount and frequency.

Transportation provided in Business Partners’ aircraft, motor vehicle or boat, for other than approved business trips is prohibited, as are other non-business related travel expenses paid by Business Partners.

**Conflict of Interest:** Business Partners shall disclose to TTI Group any situation that may cause any conflict of interest and disclose to TTI Group if any individual hired by TTI Group has or intends to acquire any interest of any kind in Business Partners’ business or any kind of economic ties/connection with Business Partners. Business Partners shall declare any conflict of interest annually and from time to time where applicable by signing and submitting to TTI Group the “Declaration of Non-conflict of Interest” form provided by TTI Group.

# Trade Compliance.

**Export / Import (Customs) Control Laws Regulations and Economic Sanctions:** Business Partners shall comply with applicable import (Customs) and export control laws and regulations and economic sanction laws. To the extent applicable, and to the extent permitted by applicable local laws and regulations, Business Partners shall at all times remain in compliance with: the sanctions laws and regulations administered by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”) and shall not engage in any transaction or dealing that would cause TTI Group to be in violation of any such OFAC law or regulation (as detailed on OFAC’s sanctions programs and country information webpage (<https://ofac.treasury.gov/sanctions-programs-and-country-information>)); the export, re-export and re-transfer regulations administered by the U.S. Department of Commerce’s Bureau of Industry and Security (“BIS”); and the regulations administered by the U.S. Department of Homeland Security’s Customs and Border Protection (“CBP”), and shall not engage in any transaction or dealing that would cause TTI Group to be in violation of any such BIS or CBP law or regulation.

- **Conflict Minerals:** Business Partners shall comply with TTI Group’s Conflict Minerals Procurement Policy.  
<https://www.ttigroup.com/company/our-policies>
- **Cobalt and Mica:** Business Partners shall comply with TTI Group’s Cobalt and Mica Procurement Policy.  
<https://www.ttigroup.com/company/our-policies>

# Confidential Information.

**Confidential Information:** Business Partners shall protect the confidential information of TTI Group and shall not use any confidential information of TTI Group, without TTI Group's express written consent.

# Inspection and Audit.

**Inspection:** TTI Group reserves the right (either directly and/or indirectly through unrelated auditors, attorneys and/or consultants) to audit, assess or otherwise check Business Partners' adherence to this Policy and to conduct compliance audits, assessments and/or checks at any time with prior notice. Business Partners shall timely supply necessary information and timely grant access to Business Partners' premises and facilities to TTI Group representatives.

**Accuracy of Records and Books and Timely Access to Information:** Records shall be accurate and reflect genuine transactions. Accounting controls shall be properly maintained. Business Partners shall keep proper records for at least seven (7) years or longer period (where required by local laws and regulations) to demonstrate compliance with this Policy. Business Partners shall timely provide access to complete, original and accurate files to TTI Group representatives.

# Compliance Requirements and Reporting Violations.

In case Business Partners become aware of any breach of this Policy, Business Partners are encouraged to provide notice of such breach by contacting Fulcrum Financial Inquiry LLP, an independent third party retained by TTI Group to receive and process such notices. Notices to Fulcrum can be done with full anonymity.

You may anonymously report your concerns by —

Email:

✉ [ttiinquiries@fulcrum.com](mailto:ttiinquiries@fulcrum.com)

or Hotline:

☎ <https://www.ttigroup.com/reporting-hotline/>

or by Mail:

✉ Fulcrum Inquiry, Techtronic Complaint Resolution Department,  
12121 Wilshire Boulevard, Suite 810, Los Angeles, CA 90025

or Fax:

☎ +1.213.891.1300 (US fax line)







# Policy Against Modern Slavery

# POLICY AGAINST MODERN SLAVERY

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# 1. Overview.

## 1.1 Introduction

Techtronic Industries Company Limited and its majority-owned or -controlled subsidiaries and affiliates throughout the world (“TTI Group” or “the Company”) recognizes that communities, economies and businesses thrive when workers’ rights are protected. Treating workers of all types (e.g., employee, contract, student, migrant, temporary and others) with dignity and respect is a fundamental component of the Company’s commitment to acting as a good corporate citizen. Specifically, this Policy Against Modern Slavery (“Policy”) reflects TTI Group is committed to a work environment free from forced labour, unlawful child labour, indentured labour and the illegal movement of people for the purpose of modern slavery or sexual exploitation (“Modern Slavery”).

As a leading manufacturing company, we seek to ensure that TTI Group employees, as well as TTI Group business partners (“Business Partners” or individually “Business Partner”) including but not limited to vendors/suppliers, distributors, dealers, joint-venture partners, agents, manufacturer’s representatives, intermediaries, consultants, contractors, subcontractors, licensees and other third parties engaged to provide goods or services to TTI Group that we engage, avoid participation in or consent to any practice that constitutes Modern Slavery. To achieve this, TTI Group, its employees, and Business Partners must follow the standards set by this Policy.

## 1.2 Objective(s)

The objectives of this Policy are as follows:

- Define the standards, expectations, and requirements that TTI Group employees and Business Partners must follow to prevent Modern Slavery in TTI Group’s business operations, whether overseen directly at TTI Group’s facilities or indirectly through the operations of Business Partners which TTI Group engages to support its business.
- Define how TTI Group will make efforts to avoid, detect and eradicate modern slavery from the Company’s or Business Partners’ operations.

This Policy will help TTI Group meet international legal obligations, commitments to its customers and best practices related to prevention of Modern Slavery, including, but not limited to:

- Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (2024) (<https://laws.justice.gc.ca/PDF/F-10.6.pdf>)
- EU Forced Labor Regulation (2024) (<https://data.consilium.europa.eu/doc/document/PE-67-2024-INIT/en/pdf>)
- EU Corporate Sustainability Due Diligence Directive (2024) (<https://eur-lex.europa.eu/eli/dir/2024/1760/oj>)
- The California Transparency in Supply Chains Act ([http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb\\_0651-0700/sb\\_657\\_bill\\_20100930\\_chaptered.pdf](http://www.leginfo.ca.gov/pub/09-10/bill/sen/sb_0651-0700/sb_657_bill_20100930_chaptered.pdf))
- United Kingdom Modern Slavery Act (2015) (<http://www.legislation.gov.uk/ukpga/2015/30/contents/enacted>)
- United Nations Guiding Principles on Business and Human Trafficking ([http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR\\_EN.pdf](http://www.ohchr.org/Documents/Publications/GuidingPrinciplesBusinessHR_EN.pdf))
- Australian Federal Modern Slavery Act 2018 & New South Wales Modern Slavery Act 2018 (<https://www.legislation.gov.au/Details/C2018A00153>) and (<https://www.legislation.nsw.gov.au/#/view/act/2018/30>)

## 1.3 Scope

This Policy applies to:

- TTI Group and all TTI Group employees;
- TTI Group Business Partners.

## 2. Policy Requirements and Content.

### 2.1 Expectations

TTI Group will not tolerate the use of Modern Slavery by any employee or Business Partner in the operation or support of our business or the manufacture and distribution of our products. The following specific expectations apply to all TTI Group employees and Business Partners:

No TTI Group employees or Business Partner will:

- Participate, directly or indirectly, in any form of the trading or coerced transport of people for the purpose of exploitation
- Engage in or promote or assist in the sexual exploitation of others
- Use forced or involuntary labour in the performance of any work
- Retain an individual identity or immigration documents and deny access by that individual to these documents.

### 2.2 Requirements

#### 2.2.1 Awareness and Certification

The Company's prohibition on Modern Slavery is defined in the TTI Code of Ethics and Business Conduct (<https://www.ttigroup.com/en/company/our-policies>), the TTI Business Partner Code of Conduct (<https://www.ttigroup.com/en/company/our-policies>) and this Policy. Every TTI Group employee and Business Partner is responsible for reading, understanding and certifying compliance with the aforementioned policies, as applicable. The certification process requires certification to the best of their knowledge that the materials they incorporate into TTI Group's products and the services they provide to TTI Group were generated in compliance with all applicable anti-slavery and anti-human trafficking laws.

#### 2.2.2 Accountability and Management

TTI Group managers are responsible for ensuring that employees who report to them, directly or indirectly, comply with this Policy and complete any certification or training required of them. TTI Group has established accountability standards and monitoring procedures to ensure that the requirements identified in this Policy are followed by TTI Group management, TTI Group employees, and TTI Group Business Partners.

#### 2.2.3 Training

TTI Group provides key supply chain management personnel with training on Modern Slavery. TTI Group provides direct suppliers with a framework against which to assess their operational compliance with the anti-slavery and anti-trafficking requirements.

#### 2.2.4 Verification, Audits and Investigations

As a manufacturing company, TTI Group appreciates the risks associated with and takes the following steps to verify, evaluate and address Modern Slavery, both in our employee-run and managed operations and in our supplier operations:

- Certification by employees to TTI Code of Ethics and Business Conduct (including prohibitions on Modern Slavery) and by suppliers to TTI Business Partner Code of Conduct, including request for information/changed circumstance disclosure
- Anti-Modern Slavery provisions included in supply agreements
- Modern Slavery Risk Assessment;
- Announced and/or unannounced site visits/audits/assessments for high risk operations/Suppliers – including by TTI Group's unrelated third-party auditors, attorneys and/or consultants;
- Required corrective action plan for non-conformities uncovered;

All TTI Group employees and Business Partners are required to fully and promptly cooperate with TTI Group's internal and external auditors and investigators, and must respond fully and truthfully to their questions, requests for information, and documents.

## 3. Violation Reporting.

Any TTI Group employee or Business Partner who has knowledge or information regarding any misconduct should report the information to the TTI Group Legal and Compliance Department. We operate under a NO RETALIATION policy. This means that you will not be retaliated against for making a communication to us. We will use our best efforts to protect your privacy and keep your communication confidential where allowed by law.

We have several ways for you to contact us, please refer to our Compliant Resolution Policy and Procedure.  
<https://www.ttigroup.com/our-company/about-tti/our-policies/complaint-resolution-policy-and-procedure/>

## 4. Consequences of Non-Compliance.

- 4.1 Any TTI Group employee failure to cooperate with an audit or investigation related to this Policy, including, for example, hiding, deleting or destroying information or documentation, limiting investigator access to employees, or providing false information, may be grounds for disciplinary action, up to and including dismissal, subject to applicable law.
- 4.2 Any TTI Group employee failure to comply with this Policy qualifies as a breach of the employment agreement. TTI Group may take disciplinary action against the employee in question, up to and including dismissal.
- 4.3 Employees or Business Partners who fail to report actual or suspected violations of this Policy may be deemed in violation of this Policy as permitted by applicable law.
- 4.4 Compliance with this Policy is a mandatory condition of doing business with TTI Group. TTI Group will terminate its agreement with any business party engaged in Modern Slavery.
- 4.5 Violators may also be subject to separate civil and criminal penalties.

# 5. Red flags and indicators of Modern Slavery •

The following is a non-exhaustive list of potential red flags and indicators of Modern Slavery, designed to assist TTI Group employees when observing TTI Group or Business Partners operations:

## **Work and Living Conditions:**

- Not free to leave or come and go as he/she wishes
- Is unpaid, paid very little, or paid only through tips
- Works excessively long and/or unusual hours
- Is not allowed breaks or suffer under unusual restrictions at work
- Owes a large debt and appears unable to pay it off
- Was recruited through false promises related to work
- High security measures are in place where none should be required (e.g., opaque or boarded up windows, bars on windows, barbed wire, etc.)
- Working hour data does not match worker accountings

## **Poor Health or Abnormal Worker Behaviour:**

- Appear fearful, anxious, depressed, submissive, tense or paranoid
- Exhibits unusual behaviour if topic of law enforcement is raised
- Avoids eye contact, even when requested
- Lacks medical care and/or has been denied medical services by employer
- Appears malnourished or shows signs of exposure to harmful chemicals
- Shows signs of physical and/or sexual abuse, restraint, confinement, or torture
- No sense of time – cannot identify what day it is

## **Lack of Control:**

- Has few or no personal possessions or all possessions appear to be in workplace
- Is not in control of his/her own money, no financial records, or bank account
- Is not in control of his/her own identification documents (ID or passport)
- Not permitted to speak for himself/herself (third party insists on being present to translate)
- Claims he/she is just visiting and cannot clarify residential address
- Lack of knowledge of where he/she is







Techtronic Industries

# Conflict Minerals Procurement Policy

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# 1. Overview.

## 1.1 Introduction

Techtronic Industries Company Limited and its majority-owned or -controlled subsidiaries and affiliates throughout the world (“TTI Group”) utilises a variety of materials to build the world-class products that we deliver to customers. Four materials – Tin, Tungsten, Tantalum, and Gold, are essential minerals (commonly referred to as “3TG”), which may at times be necessary for our products. While 3TG is often sourced from various parts of the world, a significant amount of 3TG is mined and transported from the Democratic Republic of Congo, or its adjoining countries including Angola, Burundi, Central Africa Republic, Republic of Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia (“the Covered Countries”), where violence and war have reigned for years. Armed groups often involve themselves somewhere in the mining or transportation process of 3TG to fund the conflicts they are involved in.

This Conflict Minerals Procurement Policy (“Policy”) reflects TTI Group, as a leading manufacturing company, is committed to ensure that any 3TG we source and ultimately use in our products does not come from the Covered Countries. To achieve this, TTI Group, its employees and suppliers must follow the standards set by this Policy.

## 1.2 Objective(s)

The objective of this Policy is twofold:

- Set out the rules, standards, and expectations that TTI Group and its suppliers must abide by to ensure that TTI Group sources 3TG from reputable sources free from conflict or other human rights violations
- Provide guidelines for TTI Group employees and suppliers to assist them in establishing procedures and actions for procurement of conflict-free 3TG

This Policy will help TTI Group meet international legal obligations, commitments to its customers and best practices related to conflict minerals sourcing including but not limited to the OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas

## 1.3 Applicability

This Policy applies to:

- TTI Group and all TTI Group employees
- All TTI Group suppliers at any point in the supply chain, including direct suppliers (“Suppliers”) and indirect suppliers selling to Suppliers

## 2. Policy Requirements and Content.

### 2.1 Expectations

Our position as a world-class manufacturer and our commitment to ethical business conduct shape our expectations regarding the procurement of 3TG.

- We will not knowingly tolerate, profit from, or otherwise contribute to any form of inhuman or degrading treatment related to or flowing from the procurement of 3TG. Inhuman or degrading treatment includes but is not limited to:
  - Torture
  - Compulsory labour
  - Child labour
  - Sexual violence
  - War crimes
- We will not knowingly engage in any direct or indirect support of armed groups through procurement of 3TG;
- We will not knowingly tolerate or support any public or private security forces which illegally control mines, transportation routes, or illegally tax intermediaries or other traders involved in the flow of 3TG downstream.

### 2.2 Requirements

To meet the above expectations and comply with legal obligations related to conflict minerals, we require TTI Group procurement personnel and all employees assisting procurement, as well as the Suppliers to adopt the following practices and conduct a Reasonable Country of Origin Inquiry ("RCOI") to identify the source of 3TG.

#### TTI Group Procurement

- Adopt an internationally recognized due diligence framework to:
  - Identify the circumstances surrounding the extraction, transport, handling, trading, processing, and smelting/refining of 3TG entering TTI Group's products by requiring Suppliers to conduct RCOI;
  - Assess, prioritise, manage, and respond to identified risks;
  - Request Suppliers to conduct their own due diligence efforts to vet their suppliers and smelters they utilise.
- Inform Suppliers of this Policy and ensure Suppliers agree to this Policy, standard of procedure, and TTI Business Partner Code of Conduct via TTI Group website, our supply chain compliance platform and other appropriate ways of communication.

#### TTI Group Suppliers

- Agree to the standards, values, and expectations set out in this Policy and in any supply agreement between TTI Group and Supplier;
- Agree and provide certification of understanding of the TTI Business Partner Code of Conduct and this Policy;
- Timely implement a due diligence framework mirroring the TTI Group supplier due diligence framework, and conduct RCOI to identify the extraction, transport, handling, trading, processing, and smelting/refining activities of upstream parties;
- Cooperate with TTI Group in due diligence process, provide accurate, complete and timely responses to TTI Group questionnaires and submit other compliance documentation requested by TTI Group;
- Take corrective actions at the request of TTI Group.

## **2.3 Onboarding New and Existing Suppliers**

TTI Group will communicate its commitment to sourcing conflict-free minerals by sending out this Policy and other related materials to new Suppliers. New Suppliers will be required to agree and abide by the terms of this Policy and other documentation related to meeting conflict minerals obligations as part of the onboarding process.

Existing Suppliers also will receive communications relating to TTI Group's commitment to sourcing conflict-free minerals, through receipt of this Policy and other related materials. Existing Suppliers will be required to agree and abide by the terms of this Policy and other documentation as a condition of continuing business.

Both new and existing Suppliers will be required to communicate TTI Group's expectations on sourcing conflict-free minerals to relevant personnel and will also adopt communications setting out their own expectations on conflict minerals sourcing, to their upstream suppliers.

## **2.4 Monitoring and Enforcement**

To ensure compliance with this Policy, TTI Group has established a monitoring and auditing programme. TTI Group and Suppliers that handle 3TG are subject to ongoing compliance reviews and monitoring and may be subject to internal and/or external audits, assessments or other reviews and checks – including by TTI Group's unrelated third-party auditors, attorneys and/or consultants.

## **2.5 Consequences of Non-Compliance**

Compliance with this Policy is a mandatory condition of doing business with TTI Group. For Suppliers, failure to comply with this Policy is a breach of contract. TTI Group, in its sole discretion, will take appropriate action against Suppliers in breach – including, but not limited to, implementing remediation plans, and suspension or immediate termination of business relationships.





# Cobalt and Mica Procurement Policy

# COBALT&MICA PROCUREMENT

COBALT&MICA PROCUREMENT

COBALT&MICAPROUREMENT

COBALT&MICA PROCUREMENT

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# COBALT&MICA PROCUREMENT

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# 1. Overview.

## 1.1 Introduction

Techtronic Industries Company Limited and its majority-owned or -controlled subsidiaries and affiliates throughout the world (“TTI Group”) may purchase products that utilizes Cobalt and Mica.

This Cobalt and Mica Procurement Policy (“Policy”) reflects TTI Group, as a leading manufacturing company, is committed to ensure that Cobalt and Mica ultimately used in our products do not come from mines sources and/or smelters who source Cobalt and Mica from a conflict-affected and high-risk area as defined by the OECD Due Diligence Guidance<sup>1</sup> or otherwise utilize forced labour or unlawful child labour.

## 1.2 Applicability

This Cobalt and Mica Procurement Policy applies to:

- TTI Group and all TTI Group employees.
- All TTI Group suppliers at any point in the supply chain, including direct suppliers (“Suppliers”) and indirect suppliers selling to Suppliers.

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<sup>1</sup>Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas defines “Due Diligence” as “an on-going, proactive and reactive process through which companies can ensure that they respect human rights and do not contribute to conflict”. More information is available at <http://www.responsiblemineralsinitiative.org/emerging-risks/conflict-affected-and-high-risk-areas/>.

## 2. Policy Requirements and Content.

### 2.1 Expectations

Our position as a manufacturer and our commitment to ethical business conduct shape our expectations regarding the procurement of Cobalt and Mica.

- We will not knowingly tolerate, profit from, or otherwise contribute to any form of inhuman or degrading treatment related to or flowing from the procurement of Cobalt and Mica. Inhuman or degrading treatment includes but is not limited to:
  - Torture
  - Compulsory labour
  - Child labour
  - Sexual violence
  - War crimes
- We will not knowingly engage in any direct or indirect support of armed groups through procurement of Cobalt and Mica;
- We will not knowingly tolerate or support any public or private security forces which illegally control mines, transportation routes, or illegally tax intermediaries or other traders involved in the flow of Cobalt and Mica downstream.

### 2.2 Requirements

To meet the above expectations, we require TTI Group procurement personnel and all employees assisting procurement, as well as the Suppliers, to adopt the following practices and conduct a Reasonable Country of Origin Inquiry (“RCOI”) to identify the source of Cobalt and Mica by filling the following declaration or a document similar to the declaration.

<https://www.responsiblemineralsinitiative.org/reporting-templates/emrt/>

#### TTI Group Procurement

- Adopt an internationally recognized due diligence framework to:
  - Identify the circumstances surrounding the extraction, transport, handling, trading, processing, and smelting/refining of Cobalt and Mica entering TTI Group’s products by requiring Suppliers to conduct RCOI;
  - Assess, prioritise, manage, and respond to identified risks;
  - Request Suppliers to conduct their own due diligence efforts to vet their suppliers and smelters they utilise.
- Inform Suppliers of this Policy and ensure Suppliers agree to this Policy, standard of procedure, and TTI Business Partner Code of Conduct via TTI Group website, our supply chain compliance platform and other appropriate ways of communication.

#### TTI Group Suppliers

- Agree to the standards, values, and expectations set out in this Policy and in any supply agreement between TTI Group and Supplier;
- Agree and provide certification of understanding of the TTI Business Partner Code of Conduct and this Policy;
- Timely implement a due diligence framework mirroring the TTI Group supplier due diligence framework, and conduct RCOI to identify the extraction, transport, handling, trading, processing, and smelting/refining activities of upstream parties;
- Cooperate with TTI Group in due diligence process, provide accurate, complete and timely responses to TTI Group questionnaires and submit other compliance documentation requested by TTI Group;
- Take corrective actions at the request of TTI Group.

## **2.3 Onboarding New and Existing Suppliers**

TTI Group will communicate its commitment to responsibly sourcing Cobalt and Mica by sending out this Policy and other related materials to new Suppliers. New Suppliers will be required to agree and abide by the terms of this Policy and other documentation related to meeting Cobalt and Mica sourcing obligations as part of the onboarding process.

Existing Suppliers also will receive communications relating to TTI Group's commitment to responsibly sourcing Cobalt and Mica, through receipt of this Policy and other related materials. Existing Suppliers will be required to agree and abide by the terms of this Policy and other documentation as a condition of continuing business.

Both new and existing Suppliers will be required to communicate TTI Group's expectations on responsible sourcing of Cobalt and Mica to relevant personnel and will also adopt communications setting out their own expectations on Cobalt and Mica sourcing, to their upstream suppliers.

## **2.4 Monitoring and Enforcement**

To ensure compliance with this Policy, TTI Group has established a monitoring and auditing programme. TTI Group and Suppliers that handle Cobalt and Mica are subject to ongoing compliance reviews and monitoring and may be subject to internal and/or external audits, assessments or other compliance reviews/checks – including by TTI Group's unrelated third-party auditors, attorneys and/or consultants.

## **2.5 Consequences of Non-Compliance**

Compliance with this Policy is a mandatory condition of doing business with TTI Group. For Suppliers, failure to comply with this Policy is a breach of contract. TTI Group, in its sole discretion, will take appropriate action against Suppliers in breach – including, but not limited to, implementing remediation plans and suspension or immediate termination of business relationships.





# Techtronic Industries

# Anti-Corruption Policy

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# 1. Introduction ●

This Anti-Corruption Policy (“Policy”) reflects our commitment to ethical business practices.

Corruption is against our values and against the law and can lead to fines and other penalties, including imprisonment for those individuals involved. This Policy is designed to prevent corruption in all our activities.

## 1.1 Applicability

This Policy applies to::

- Techtronic Industries Company Limited and our majority owned or -controlled subsidiaries and affiliates throughout the world (“TTI Group”)
- All TTI Group employees including full-time, part-time, contract and temporary employees
- All TTI Group business partners (“Business Partners”, or individually “Business Partner”), including but not limited to:
  - Vendors/suppliers
  - Distributors and dealers
  - Joint-venture partners
  - Agents and manufacturer’s representatives
  - Intermediaries and consultants
  - Contractors and subcontractors
  - Licensees
  - other third parties engaged to provide goods or services to TTI Group

## 1.2 Penalties for non-compliance

TTI Group and its employees and Business Partners could be subject to legal and financial penalties as a result of non-compliance with this Policy and any other applicable anti-corruption laws.

Non-compliance by TTI Group employees will also result in disciplinary action, up to and including termination of employment. Managers who fail to supervise employees’ compliance with this Policy may also be the subject of discipline. Managers should lead by example and be a resource for employees who have questions or need advice.

Non-compliance by Business Partners will also result in penalties by TTI Group, including but not limited to compulsory corrective program, fines, suspension of business, termination of business relationship, and up to civil actions.

## 1.3 Compliance with all applicable laws and regulations

TTI Group follows the most stringent law, regulation or policy applicable to our work. If the laws or regulations applicable to your business are less stringent than this Policy, then you must follow this Policy. We have endeavored to ensure that this Policy is at least as strict as the laws and regulations in which we do business, but if it turns out that an applicable law or regulation is stricter than this Policy, then you must follow that law or regulation. If you have any doubt about what is expected of you under the law or this Policy, you must seek guidance from your legal or compliance department or one of the other resources mentioned at the end of this Policy.

## 2. Anti-Corruption Laws and Regulations •

TTI Group does not tolerate corruption. Perhaps the most common or most discussed form of corruption is bribery. Bribes are offers or payments of anything of value to gain an improper business advantage or to otherwise influence a decision or action, such as gifts of money or items above a nominal value, lavish and overly expensive entertainment, plane tickets or stays at resorts outside of TTI Group business, or donations to a charity important to the person at whom the bribe is aimed.

Global anti-corruption laws provide that bribes and other forms of corruption cannot be used to gain an improper business advantage. These laws include but are not limited to the following:

- The Foreign Corrupt Practices Act (FCPA) of the United States
- The Bribery Act of the United Kingdom
- The Prevention of Bribery Ordinance of Hong Kong
- The Criminal Law and Anti-Unfair Competition Law of the People's Republic of China
- The Criminal Law Convention on Corruption of the Council of Europe
- The Organisation for Economic Co-operation and Development (OECD) Anti-Bribery Convention
- Various domestic anti-corruption laws from many other countries where TTI Group or Business Partners operate

These laws may impose specific requirements in certain situations, meaning you should never hesitate to reach out to your supervisors, managers and the legal or compliance department for guidance on how to proceed with a transaction.

Together with anti-corruption laws, this Policy prohibits those to whom it applies from offering, providing or accepting bribes or otherwise participating in any illegal or corrupt activities. Anyone observing or learning of such activities must report the information through the avenues set forth at the end of this Policy.

To assist your understanding, reproduced below are the basic planks of the anti-corruption prohibitions embodied in this Policy and the referenced anti-corruption laws:

Basic Concept	Explanation
1. <b>Never offer, make or accept a payment</b>	Cash or cash equivalents of more than nominal value
2. <b>Or anything of value</b>	Any valuable item of more than nominal value, such as jewelry, plane tickets, vacations
3. <b>Directly or indirectly</b>	<p><b>Directly:</b> the offer or payment is made to directly to the person whose actions it is intended to influence.</p> <p><b>Indirectly:</b></p> <ol style="list-style-type: none"><li>a. the offer or payment is funneled through an intermediary, such as an agent, subcontractor, or consultant.</li><li>b. The offer or payment is embedded in a business transaction ("a kickback"), such as, for example, a potential distributor offering you personally a portion of the profit they make from selling TTI Group products if you choose them over other potential distributors.</li></ol>



## 2. Anti-Corruption Laws and Regulations

4. To or from a commercial entity or government official	A commercial entity is any business and any of its employees, agents and representatives, including subcontractors, consultants, and others acting on the business' behalf. For a further explanation, see the section on "Who are government officials?" below.
5. To obtain or retain business or gain an improper business advantage	<p>Remember that even an attempt to obtain or secure an improper business advantage, regardless of whether it is successful, is prohibited.</p> <p>For the avoidance of doubt, an improper business advantage can be defined as an undue strengthening of business position, which would not have happened without offering, paying or accepting a bribe. This is different from recognizing the loyalty or business contribution of a business partner.</p>

When in doubt about any offer, payment or other aspect of a transaction or business relationship, ask yourself the following questions:

- Does this feel right?
- Would my friends, family and colleagues approve?
- Would I be comfortable if this were discussed in a newspaper?

If the answer to one or more of these questions is no, step away from the situation and seek guidance from your manager or the legal or HR department on how best to proceed.

### Living Our Values

**Scenario:** You work in the purchasing department. Recently, a supplier came to visit your facilities. You met the supplier regarding a potential new supply contract, and the supplier knew that you were also meeting with other potential suppliers about the opportunity. As he was leaving, the supplier offered you what appeared to be a pearl necklace as a gift for your wife for your hospitality. You did not think the pearls were real, so you accepted it.

**Response:** You should not have accepted the gift without knowing its true value because the circumstances under which it was given indicate that the supplier's motivation was to influence your decision on whether to give his company the contract. You should have declined the gift, or if you accepted because you were concerned that declining would be rude or perceived as an insult, you should immediately consult your legal or HR department to seek further advice on gift handling.

## 2. Anti-Corruption Laws and Regulations

### 2.1 Who are government officials?

For the purposes of anti-corruption laws and this Policy, the term “government officials” is not limited to persons holding elected or appointed government offices, ministers of government departments, political representatives or other positions that one might typically think of as government positions. The following individuals can also qualify as government officials:

- Employees of government departments and agencies, regardless of rank - including but not limited to tax or customs officials
- Employees of state-owned or -controlled entities, including state-owned or -controlled commercial enterprises, such as national airlines, rail operators and employees of public institutions such as universities
- Employees of public international organizations, such as the World Bank, the International Monetary Fund and the United Nations
- Any political party official or candidate, any judge or legislator and members of royal families who may lack “official” authority but who maintain ownership or managerial interests in government enterprises
- Anyone “acting in an official capacity” (that is, under a delegation of authority from the government to carry out government responsibilities), including uncompensated officials if they have actual influence in awarding government business
- Technical or marketing consultants who also hold a government position

Providing anything of value to a close family member of a government official can also be considered a violation of anti-bribery laws and of this Policy.

This Policy highlights interactions with government officials because global anti-corruption laws emphasize dealing with government officials transparently, and corrupt acts carry severe penalties for companies and individuals. As a member of an international company and industry leader, you may need to interact with government officials occasionally and must do so in accordance with applicable laws. As an employee or Business Partner of TTI Group, you are required to evaluate the transactions you are involved in to determine whether government officials are participating in any way. Since the list of possible government officials is expansive, you are encouraged to reach out to the legal or HR department for assistance and guidance.

#### Living Our Values

**Scenario:** Muhammad is trying to obtain a permit to get permission to use a particular piece of property for a plant in a new location. He knows that these permits are limited, and there are competitors also trying to get a permit for that same location. A local official takes Muhammad aside and says that he will favor his request over those of the competitors if Muhammad will give him personally \$5,000 in cash. He explains that this is how business is done, and if Muhammad doesn't do it, then he will issue the permit to a competitor. Muhammad doesn't want to lose business for the company, so he makes the payment.

**Response:** Muhammad did not live up to TTI Group values. The local official that Muhammad offered payment to is likely considered a government official under most global anti-corruption laws, and the payment is a bribe because it was made to gain an improper business advantage.

## 2. Anti-Corruption Laws and Regulations

### 2.2 Accounting and record-keeping

One of the methods that TTI Group uses to ensure that all dealings engaged are free of corruption is to properly record all aspects of every transaction. Keeping accurate books and records is required by the various anti-corruption laws applicable to the business. Therefore, you must comply with all accounting regulations and standards, as well as TTI Group's internal work policies and processes, where applicable, for submitting all expense reimbursement requests to TTI Group. Furthermore, when making expenditures on behalf of TTI Group, you must properly record the details of all transactions, accounting for all funds and benefits received as part of those transactions.

Special care must be taken to ensure that the treatment of any gifts, meals, entertainment or other benefits provided to private parties and government officials complies with TTI Group's accounting and record-keeping requirements.

The following rules are guidelines for accurate accounting and record-keeping:

- False or artificial entries are prohibited.
- Undisclosed or unrecorded funds, accounts or assets are prohibited.
- No entry may conceal or disguise the true nature of a transaction.
- No payment is permitted for a purpose other than the purpose described in the supporting documents.
- All employees have a duty to report any false or suspicious entries or when they have reason to believe that an employee may be falsifying records.

To implement the above rules on proper record-keeping, you should:

- Only issue and accept invoices that accurately reflect the transaction to which they relate.
- Never agree to requests for under-invoicing or over-invoicing.
- Never make or approve any payment with the intention, understanding or knowledge that any part of such payment is to be used for any purpose other than what is described in the supporting documents, or when reasons exist to believe that the payment could be used as a bribe.
- Never make or approve cash payments to any party.
- Never make or approve payments to a person other than the authorized payee.
- Never make or approve payments to an account unrelated to the payee's business or nationality, such as offshore bank accounts or accounts under a different name.

Proper record-keeping is essential to compliance with anti-corruption laws and to maintain and uphold the spirit of this Policy.

If you have any questions about these requirements, please contact the legal or finance department.

# 3. Guidelines.

This section provides guidance on specific transactions, with reference to TTI Group's requirements and expectations.

You should refer to this section often to confirm that the transactions and business relationships you are a part of meet TTI Group's requirements, and to ensure that our business remains free of corruption.

## 3.1 Guidelines

Doing business often involves giving and receiving some common courtesies, such as discussing a sales agreement over lunch, meeting with clients for dinner or accepting promotional items at a trade show. This Policy is not meant to hinder your ability to build relationships with external parties and compete in the market. Rather, it should help you identify acceptable and legal business courtesies. TTI Group's stance on bribery and corruption means that regardless of local custom, it is never accepted to give or accept improper gifts, entertainment or any other benefit to gain an inappropriate business advantage.

If you are ever faced with a situation where someone is personally seeking a payment or other item of value in exchange for or in connection with making a business decision or performing their duties and you are unsure of what to do, you should consult the legal or HR department. You should always consult the legal or HR department if that person is a government official.

### 3.1.1 General guidelines

TTI Group employees should not give, request or accept gifts, meals, entertainment or other items of value from any of TTI Group's Business Partners, customers, competitors or any party seeking to do business with TTI Group unless all of the following criteria are met:

- There is a clear business purpose related to the promotion or demonstration of TTI Group's products or services.
- The value is reasonable, which generally means that gifts are nominal in value and meals and entertainment are reasonable under the circumstances and generally within generally accepted practices in our industry.
- The frequency is reasonable.
- Doing so does not violate local customs or the organizational policies of the receiving party.
- Doing so does not give rise to an actual or apparent conflict of interest.
- With government officials, the gift or entertainment must be pre-approved in writing by the legal or HR department.

These guidelines apply at all times and do not change during traditional gift-giving seasons, or due to the local customs where you are doing business.

In addition, in certain countries where gift-giving or entertainment is common in business settings, you need to consult the legal or HR department in your business unit for guidance on acceptable practices. You are responsible for knowing and abiding by such guidance not only in locations where your office is located, but also in any other location where you travel for TTI Group business.

The following subsections provide more detail regarding the exchange of gifts, meals and entertainment.

# 3. Guidelines

## 3.1.2 Gifts

- Gifts are limited to items of nominal (low) value. Such gifts could include the following:
  - Promotional items bearing a company logo or branding
  - Greeting or holiday cards
  - Simple food items
  - Reasonably priced plants or flowers
  - Other low-value items given as part of a cultural or national holiday (see below for cash gifts exchanged in these circumstances)
- Cash gifts are not encouraged, but TTI Group understands that they are sometimes exchanged as part of certain national or cultural holidays (for example, the exchange of “red pockets” for Chinese New Year). Cash gifts should only be given under the following circumstances:
  - The cash gift is provided as part of a national or cultural holiday
  - The cash gift is reasonable in value for the occasion
  - No more than one cash gift is given to or received from the same person during the holiday or cultural event period

## Living Our Values

**1** **Scenario:** At a recent trade show, you offered potential customers various TTI Group-branded items such as mugs and pens. Is this permissible under this Policy?

**Response:** Yes. Nominal gifts (having little-to-no value) provided as part of demonstrating TTI Group products are allowed.

**2** **Scenario:** In the country you work in, it is common to give “red pockets” during Chinese New Year to people with whom you do business or to show appreciation in other business settings. Can you exchange red pockets with your business associates?

**Response:** Under this Policy, you can give or receive cash gifts, such as red pockets, in your capacity as TTI Group employees, during national or cultural holidays or other occasions when such gifts are customarily exchanged. The red pocket, or other cash gift, must still meet the general guidelines on gifts described above. Please note that it must be of nominal/low value and not given to or received from the same person more than once during the span of the holiday or cultural event. This Policy's guidelines do not restrict the value or frequency at which you can exchange cash gifts with friends and family using your own personal funds.

# 3. Guidelines

## 3.1.3 Meals and entertainment

Providing meals and entertainment to existing and potential clients and business partners is a common practice and can be an important element of our business relationships. However, meals and entertainment can be abused by being excessive or too frequent. You must follow the standards set out below to ensure you are participating in proper activities:

- Meals and entertainment should be limited to simple meals or other appropriate activities, such as a local sightseeing tour, a sporting or cultural event, or a game of golf.
- When providing meals or entertainment to a member of another company, you must know their rules on receiving these types of benefits. Many of our customers and other business partners have Codes of Conduct and other policies similar to ours that do not allow their employees to accept meals or entertainment that are lavish, frequent and not genuinely backed up by a valid business purpose. So do not pay the check for a business partner's employee when doing so would violate that business partner's policies.
- If you have any doubt about whether a particular event is too lavish to comply with this Policy, get pre-approval from the legal or HR department at your business unit.

## Living Our Values

**Scenario:** TTI Group is trying to expand business with a particular customer. The customer's buying agent keeps mentioning to me that he has always wanted to take his family to Paris for a vacation. You have contacts in Paris, so you arrange for him and his family to stay there for a week at no charge, and you offer to have TTI Group pay for their plane tickets. You think that he is also making these same hints to competitors and that they have done things for him in the past, so you don't want to be at a disadvantage.

**Response:** In this situation, you did not live up to TTI Group's values. This benefit is clearly being offered with the intent to influence the buyer to give us more business, and he and his family are personally benefiting by receiving a lavish vacation. It does not matter if you think or hear rumors that others may be offering this individual these types of benefits. In fact, this person is likely violating the policies of his company by soliciting and accepting these types of gifts, and you would be doing his employer a favor by taking steps to disclose his actions. You should have consulted with legal or HR department when he began making these types of hints.

# 3. Guidelines

## 3.2 Company-sponsored travel

As an international company, TTI Group may at times be asked to pay the travel expenses of customers, third parties or other external parties in connection with TTI Group-related business. It is important to make sure that TTI Group-sponsored travel is not provided for improper reasons, meaning that it is not provided to gain an improper business advantage or to unduly influence a customer's decision or a third party's actions.

Whether to indeed sponsor someone's travel depends on the circumstances, but it is important to always ensure that there is a clear business purpose and agenda, and that the sponsored travel is completed by the person(s) for whom it was arranged.

Once you have ensured that these two requirements are satisfied, you must check that the following additional standards are also met.

Third Party Travel Sponsored by TTI Group must be:

- Accounted for in our budget
- Provided as part of a factory or showroom tour, training, sales meeting or similar business-related activity
- Along the shortest and least expensive route (where possible)
- Via economy class unless you have obtained approval from senior management in accordance with TTI Group's internal policies
- Limited to accommodation in business hotels or other modest 3-4 star hotels
- Pre-approved by the head of your department, and also by the legal or HR department if the travel is provided for government officials

Third Party Travel Sponsored by TTI Group does NOT include:

- Meals and incidentals
- Trip extensions and detours
- Gifts and other forms of entertainment

# 3. Guidelines

## 3.3 Political contributions

To remain free from corruption, you need to be aware of requests for political contributions by counterparties or government officials in exchange for influencing a transaction or spurring the completion of a pending deal. For example, a potential customer might state that he will buy TTI Group products if you make a contribution to a government department, organization, political party or group with which the customer or his relatives are associated. Political contributions are especially concerning because they are hard to trace back to the person, group or company that requested them.

To minimize the possibility of corruption, no one can make political contributions on TTI Group's behalf without obtaining the prior written approval of the Head of Group Legal, Compliance and Corporate Governance.

Under no circumstances can a political contribution be made to gain an improper business advantage or if it would be otherwise unlawful under the laws of the country where the government department, political party, group/organization or official is based.

## 3.4 Charitable contributions

As a global company, TTI Group is in a position to help those in need through charitable contributions. However, charitable contributions, like political contributions, can be an underhanded way to provide bribes. This can occur when counterparties or government officials request donations to charities with which they are associated as a prerequisite to or part of a transaction with TTI Group.

The following circumstances may suggest that a charitable contribution is being requested for improper purposes:

- The donation is requested as part of a business transaction.
- The charity or the party requesting the donation does not provide details about the charity, its purpose, location or the reasons for the donation.
- The charity requests that the contribution be made to a different country or entity.
- A government official has requested or suggested the donation.

Under no circumstances can a charitable contribution be used to gain an improper business advantage, or otherwise violate the laws of the country where the contribution is to be made.

## Living Our Values

**Scenario:** You engaged an agent to help facilitate an agreement with a new customer. The agent informed you that the customer's representative would conclude the contract with you if you directed an initial lump-sum payment to a charity that his wife has organized. You informed the agent that you could not make this payment to conclude negotiations.

**Response:** In this case, you lived up to TTI Group's values. The customer's representative required TTI Group to make a charitable contribution in order to secure a business advantage. Any payment made to secure such an advantage is against this Policy, even if it is made to a charity.



# 3. Guidelines

## 3.5 Engaging business partners

Engaging business partners, such as agents, distributors and suppliers, is a necessary part of business. They provide materials to build TTI Group's world-class products, represent TTI Group brands in global markets and reach new customers. Essentially, these business partners are an extension of TTI Group, and any corrupt acts they carry out while conducting business for us can create liability for our company.

Therefore, it is pertinent to only choose business partners that TTI Group would feel comfortable representing its brand and values. To accomplish this goal, TTI Group has adopted a robust due diligence process to review potential business partners and monitor existing partners. The due diligence process involves the following actions:

- Gathering background information
- Identifying red flags
- Continually monitoring

### 3.5.1 Gathering background information

The due diligence process starts with collecting background information on the potential business partner. The following information should be gathered before entering into any agreement:

- Company registration information
- Names, nationalities and resumes of all principal officers, directors and shareholders
- List of all related entities
- Revenue history of the business partner over the last 3 – 5 years
- Civil and criminal history of all principal officers, directors and shareholders
- Government positions (current or former) of all principal officers, directors and shareholders and their relatives and business associates
- Civil, criminal and regulatory history of the business partner
- Reputation of the business partner

### 3.5.2 Identifying red flags

While collecting background information on a potential business partner, you may notice certain “red flags,” or warning signs about the party that suggest they may be more likely to pay a bribe, engage in corruption or be otherwise unsuited to carry out their responsibilities. The following is a list of common red flags:

- Questionable background or reputation, such as allegations of improper business practices (like paying bribes or allegations of fraud)
- Lack of reputable business/personal references
- Unknown to industry competitors
- Referred to us by a government official
- Seems unqualified to provide the needed services
- Unwilling to reveal identities of its owners, principals, directors or employees
- Not open to agreeing with TTI Business Partner Code of Conduct
- Requests unique or unusual payment arrangements, such as payment in cash, payment in another country's currency, payment to seemingly unrelated parties or payment to a bank account in a different country
- Has members who are TTI Group employees or are related to TTI Group employees

Discovery of any red flags should promptly be referred to members of the legal or HR department for further review before continuing with the potential business partner.

# 3. Guidelines

## 3.5.3 Monitoring performance

Collecting background information is not enough to determine whether a potential business partner is suited to work with TTI Group. It is necessary to continually monitor business partners even after engagement to see if any new red flags arise. Contact the legal or HR department if the business partner takes any of the following actions:

- Does not pay TTI Group invoices in a timely manner
- Offers to buy our products at a higher-than-normal cost or requests an unusually large discount
- Submits invoices for unusual or excessive expenses or other requests
- Requests payments to a different recipient or offshore account
- Frequently invites TTI Group employees to meetings, gatherings or other events involving government officials
- Receives negative remarks from or fails any TTI Group or third-party audit
- Becomes involved in bankruptcy proceedings
- Receives fines or penalties or becomes the subject of a complaint from non-compliance with the law, especially anti-corruption laws

This list of red flags is NOT exhaustive. If other red flags become apparent, additional due diligence or other remediation may be required. Contact the legal or HR department for further guidance.

## 3.5.4 Compensation

One of the simplest ways to prevent corruption by business partners is to compensate them in accordance with a strict set of rules, including the following:

- Do not pay more than market price for the goods or services business partners are providing.
- Success fees and premiums to business partners must be approved, closely monitored and properly documented.

## Living Our Values

**Scenario:** You have been considering utilizing a new distributor to resell products in a high-risk territory. You decided to conduct some background research on the distributor, but it seems there is not much information about this distributor. Your co-worker suggested that you try the distributor on a short-term basis because it would be time consuming to find another reseller in the area. you agreed with him and sent the distributor standard paperwork.

**Response:** In this scenario, you did not live up to our values. While it was commendable that you conducted due diligence on this potential new business partner and identified a red flag—the fact that businesses in the area do not know much about this company—you should not have decided to engage the distributor without consulting the legal or HR department for advice on how to proceed.

# 3. Guidelines

## 3.6 Solicitation of bribes

Solicitation of bribes occurs when someone requests or asks TTI Group (directly or indirectly) for a payment in exchange for an improper business advantage. Solicitation of bribes is against the law and this Policy.

If someone tries to solicit a bribe from you, you should:

- Firmly, but politely refuse to make the payment.
- Report the incident to the legal or HR department.

### 3.6.1 Exception for extenuating circumstances

There are certain situations where you are permitted to make a payment that is otherwise not allowed under the law or this Policy. These situations are very rare, and the payment is allowed only if extenuating circumstances exist. Extenuating circumstances exist when 1) you are requested to make a payment and 2) refusal could lead to bodily harm.

The threat of bodily harm could be to yourself, your co-workers or the family members of you or your co-workers.

Any potential or actual extenuating circumstances encountered, and any payments made in such situations, must be promptly reported to the legal or HR department once it is safe to do so.

## 4. Reporting Violations.

The key to our culture of ethical conduct is honest, transparent communication. If you have any questions or concerns, or if you witness potential violations of this Policy, you are urged to speak with us.

TTI Group operates under a NO RETALIATION policy, which means that we will never retaliate against anyone who makes a report to us in good faith. Also, your report will be confidential, and we will take our best efforts to ensure that your identity is not disclosed.

Reports can be made to the following individuals at TTI Group:

- The Head of Group Legal, Compliance and Corporate Governance
- General Counsel
- The Legal Department
- The Human Resources Department
- Your Supervisor (unless the nature of the issue makes doing so inadvisable)

If you prefer, you may anonymously report your concerns to us by —

Email:

✉ [ttiinquiries@fulcrum.com](mailto:ttiinquiries@fulcrum.com)

or Hotline:

☎ <https://www.ttigroup.com/reporting-hotline/>

or by Mail:

✉ Fulcrum Inquiry, Techtronic Complaint Resolution Department,  
12121 Wilshire Boulevard, Suite 810, Los Angeles, CA 90025

or Fax:

☎ +1.213.891.1300 (US fax line)

## 5. Conclusion ●

Thank you for reading our Anti-Corruption Policy. The information in this Policy supplements TTI Code of Ethics and Business Conduct and Business Partner Code of Conduct, serves as a manual to help you face potential corruption with confidence and gives you the tools necessary to make the right decisions.

Most importantly, this Policy demonstrates our commitment to supporting you as a TTI Group employee or Business Partner, and our genuine interest in helping you make decisions in accordance with our values.

If a situation does not feel right, you have our full support to walk away from it and seek further guidance from various resources within the company.

For further information on our values and commitment to ethical conduct, please see the following resources:

- TTI Code of Ethics and Business Conduct
- TTI Business Partner Code of Conduct





# Techtronic Industries

# Global Trade Sanctions Compliance Policy

# COMPLIANCE POLICY

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# 1. Overview.

## 1.1 Introduction

Techtronic Industries Company Limited (“TTI” or “the Company”) is committed to operating in accordance with the highest ethical standards and applicable laws, rules and regulations. Export/Import Control Laws and Regulations and Economic Sanctions are tools of foreign policy used by governments to meet national security, anti-terrorism, non-nuclear proliferation, crime control and human rights objectives.

## 1.2 Objective(s)

The objective of this Policy is to:

- Explain export/import control laws, regulations and economic sanctions
- Set out the rules, standards, and expectations that TTI and its suppliers must abide by to ensure that the Company remains in compliance with all applicable export/import control laws, regulations and economic sanctions laws
- Provide guidelines for TTI employees and suppliers to assist them in establishing procedures and actions for maintaining compliance

For questions regarding this Policy or any global trade transaction or matter, please contact Tim Rolland, Group Senior Vice-President and Chief Counsel - Global Compliance, at [tim.rolland@ttihq.com](mailto:tim.rolland@ttihq.com) or via mobile telephone (or text message) at TTI's U.S. Corporate Headquarters in Fort Lauderdale, FL at +1.954.551.8205.

## 1.3 Applicability

This Policy applies to:

- All TTI employees at all its operations and entities, including subsidiaries, affiliates, joint-ventures, and other related entities in which TTI owns fifty (50) percent or more interest, (collectively referred to as “TTI”)
- All TTI suppliers, including indirect suppliers selling to TTI suppliers at any point in the supply chain

## 2. Economic Sanctions Laws and Regulations.

### 2.1 Frequently Asked Questions

#### 2.1.1 What are economic sanctions?

Economic sanctions are a tool used by governments and multinational bodies to attempt to change behavior of the sanctioned target. Sanctions laws and regulations vary widely in their scope to meet national security and foreign policy objectives - which change based on circumstances and time. Economic sanctions typically target governments, individuals or entities that are seen as a threat or are violating international norms. Economic sanctions can be multilateral, i.e., promulgated by the European Union or United Nations or promulgated unilaterally by a single country's government, for example, the U.S. Government's embargo against Cuba.

#### 2.1.2 What is the purpose of economic sanctions?

Economic sanctions are designed to punish and change behavior, which is typically done by restricting trade (import or export of goods or services) with the targeted party and depriving that party of access to assets (money or property). When the U.S. Government, for example, imposes economic sanctions against another country, entity or individual, U.S. law often prohibits U.S. persons (as defined below) from engaging in any transaction with or providing any service for the benefit of the sanctioned country, entity or individual.

#### 2.1.3 Why is compliance important?

Non-compliance – or even the appearance of non-compliance – may place the Company at serious legal, financial, and reputational risk and may result in substantial civil sanctions for both the Company and its employees. Egregious cases can result in criminal proceedings. Accordingly, any employee who violates this Policy may be subject to disciplinary action up to and including termination.

#### 2.1.4 Helpful Sanctions Websites:

European Commission Sanctions Homepage:

[https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures\\_en](https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures_en)

U.S. Government Sanctions Homepage:

<https://www.treasury.gov/resource-center/sanctions/Pages/default.aspx>

United Nations Security Council Sanctions Homepage:

<https://www.un.org/securitycouncil/sanctions/information>

## 2. Economic Sanctions Laws and Regulations

### 2.2 Background on U.S. Economic Sanctions

Because U.S. economic sanctions impact TTI enterprise-wide cross-border transactions that occur outside of the United States, (i.e., extraterritorial in nature) this Policy contains an in-depth overview of the U.S. economic sanctions program.

The Office of Foreign Assets Control (“OFAC”) at the United States Department of the Treasury administers and enforces the main U.S. sanctions programs against targeted countries, organizations, and individuals.

U.S. sanctions apply to “U.S. persons,” which includes persons and entities. U.S. persons are individuals who are citizens or permanent residents of the U.S. regardless of their location in the world and any individual (even if not a U.S. citizen or resident) physically located in the United States. With respect to corporate entities, U.S. persons includes U.S. subsidiaries and U.S. and foreign branches. Due to the interdependencies of TTI’s global corporate structure, all of TTI’s U.S. and foreign subsidiaries and branches are considered to be U.S. persons for purposes of this policy and U.S. sanctions compliance.

OFAC has wide latitude to interpret and enforce the sanctions programs based on the goals of the U.S. Government. In general, OFAC targets are either countries or individuals designated on OFAC’s List of Specially Designated Nationals and Blocked Persons (“SDN List”). While country-based restrictions vary by program, with respect to parties designated on the SDN List, U.S. persons are not permitted to have any dealings whatsoever with those parties (unless specifically authorized by OFAC via a prior-approved, specific license or other written authorization). Such prohibited dealings include any payments, benefits, the provision of services, or otherwise. The SDN List prohibitions also apply to entities owned 50% or more by one or more SDNs, even if the party in question is not designated on the list itself. As a result of the application of sanctions to entities that are not specifically listed but that are owned by SDN interests, due diligence (e.g., understanding ownership structure of an entity with whom TTI does or intends to do business) is an important feature of this Policy, depending on the transaction being contemplated. Depending on the particular facts of a proposed transaction, prior enhanced due diligence by TTI’s Law Department may be required. If any question exists regarding ownership of an entity, TTI personnel must request in writing a review and approval by the BU’s General Counsel and Group SVP and Chief Counsel - Global Compliance prior to entering into a business transaction with the entity in question.

It is the policy of our Company to refrain from any dealings whatsoever with entities that are on the SDN List, or entities owned 50% or more by SDNs unless prior written approval is received from OFAC, or collectively from the business unit’s General Counsel and TTI’s Group Senior Vice-President and Chief Counsel - Global Compliance.

The SDN List is updated often, and is available on OFAC’s website <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>. The SDN List is also available through filtering solutions on certain technology platforms established by business units throughout TTI and an internet-based lookup tool that TTI has licensed (e.g., Thomson Reuters Onesource, Global Trade Management (Oracle), etc.).

OFAC sanctions can be summarized as follows: (i) comprehensive, (ii) limited and (iii) list-based. The chart below explains each category in more detail and lists country targets and list-based programs.

## 2. Economic Sanctions Laws and Regulations

### 2.2 Background on U.S. Economic Sanctions

OFAC sanctions can be summarized as follows: (i) comprehensive, (ii) limited and (iii) list-based. The chart below explains each category in more detail and lists country targets and list-based programs.

Category	Description	Targets / Programs <sup>1</sup>
Comprehensive	<b>Comprehensive sanctions prohibit U.S. persons from dealing in any manner with sanctioned countries and their governments.</b>	<ol style="list-style-type: none"> <li>1. Cuba</li> <li>2. Iran</li> <li>3. Crimea Donetsk, Luhansk and Zaporizhzhia Regions (disputed regions between Ukraine and Russia)</li> <li>4. North Korea</li> <li>5. Syria</li> <li>6. Venezuela</li> </ol>
Limited	<b>Limited sanctions programs prohibit U.S. persons from participating in certain types of transactions or with certain persons associated with a country or region. Prohibited activities vary from program to program, however, in most cases involving the limited programs targeted individuals and companies are designated on the SDN List.</b>	<ol style="list-style-type: none"> <li>1. The Balkans – Related</li> <li>2. Belarus</li> <li>3. Burundi – Related</li> <li>4. Central African Republic</li> <li>5. The Democratic Republic of the Congo</li> <li>6. Iraq – Related</li> <li>7. Lebanon – Related</li> <li>8. Libya</li> <li>9. Magnitsky</li> <li>10. Mali-Related</li> <li>11. Nicaragua-Related</li> <li>12. Rough Diamond Trade Controls</li> <li>13. Russia</li> <li>14. Somalia</li> <li>15. Sudan and Darfur</li> <li>16. South Sudan – Related</li> <li>17. Ukraine/Russia – Related</li> <li>18. Yemen – Related</li> <li>19. Zimbabwe</li> </ol>
List Based	<b>List-based sanctions prohibit U.S. persons from dealing with individuals, entities and organizations that have been targeted by the U.S. Government due to certain activity. Like the limited country programs, these targeted parties are placed on the SDN List.</b>	<ol style="list-style-type: none"> <li>1. Foreign interference in a U.S. election</li> <li>2. Terrorism and terrorist organizations</li> <li>3. Narcotics trafficking</li> <li>4. Persons involved in the proliferation of weapons of mass destruction</li> <li>5. Persons involved in cyber-related threats</li> <li>6. Transnational criminal organizations</li> </ol>

<sup>1</sup> This list of country targets and list-based programs is subject to change; the Company will provide alerts as necessary when any such changes take place.

## 2. Economic Sanctions Laws and Regulations

### 2.3 Prohibitions

As explained above, there are different types of sanctions programs with varying breadth and scope. Some U.S. economic sanctions programs prohibit U.S. persons from engaging in almost all business transactions with or in a sanctioned country, and other programs prohibit only certain specified transactions or dealings with certain individuals. For comprehensively sanctioned countries and any designated entity, U.S. law prohibits Direct and Indirect Dealings.

- **No Direct Dealings** – U.S. persons are prohibited from transacting in any way with sanctions targets, both sanctioned countries and SDNs. This includes the provision, directly or indirectly, of goods, services or any benefit to the target at any point in the Company's supply chain. U.S. law generally prohibits direct and indirect imports from the targeted countries.<sup>2</sup>
- **No Indirect Dealings**

Facilitation – U.S. law generally prohibits U.S. persons from “approving or facilitating” dealings with sanctioned countries or parties by non-U.S. persons. For example, a U.S. person would be considered to “facilitate” dealings with a sanctioned country by referring prohibited business to a non-U.S. entity. This prohibition generally prevents approval, financing, or other support of such transactions, including any technical or operational support from a U.S. company.

Evasion – U.S. law generally prohibits transactions that evade, or have the purpose or effect of evading, other OFAC prohibitions. For example, if U.S. sanctions prohibit the Company from undertaking a transaction, the Company must not help the customer find an alternative way to complete the transaction.

<sup>2</sup> This prohibition generally does not apply to goods originating in a target country that are “substantially transformed” in a third country.

## 2. Economic Sanctions Laws and Regulations

### 2.4 Enforcement

OFAC sanctions are strict liability and do not depend on whether or not the individual or the Company knew that the activity violated U.S. law or whether or not there was intent to violate U.S. law. Civil and criminal penalties may be imposed on the individual or the Company. The penalties for violating U.S. sanctions laws or regulations vary, but can be severe.

#### 2.4.1 Personal Liability

Individuals may be subject to civil fines up to \$250,000 per violation. Individuals who willfully commit violations of U.S. sanctions can be subject to criminal penalties, including fines up to \$1 million and/or imprisonment up to 20 years per violation. In addition, failure of an employee to comply with this Policy may be grounds for disciplinary action, up to and including termination and loss of employment-related benefits.

#### 2.4.2 TTI Liability and Damage to Public Reputation

The Company may be subject to civil fines up to \$250,000 per violation and possible criminal prosecutions and fines up to \$1 million for each willful violation of U.S. sanctions laws or regulations. It is also possible that violations may expose the Company to cease-and-desist orders and to being barred from doing business with the federal or state governments. Finally, violations may result in adverse publicity for the Company and may have a serious effect upon the Company's business reputation for integrity.

Officers and directors who participate in violations of U.S. sanctions may also be subject to civil or criminal penalties for their actions.

#### 2.4.3 European Commission/European Union Economic Sanctions

Economic sanctions are an essential tool of the European Union's ("EU") Common Foreign and Security Policy (click [https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures\\_en](https://finance.ec.europa.eu/eu-and-world/sanctions-restrictive-measures_en) for more on this policy) and therefore utilized by the EU as part of a comprehensive foreign policy and national security strategy to foster international peace and security. Similar to the U.S. and other countries' sanctions programs, the EU utilizes sanctions to effect change in the policy or conduct of targeted governments, entities, groups, organizations and/or persons (including arms embargoes, trade restrictions such as import and export bans, financial restrictions and restricting movement of people via visa or travel bans). EU sanctions are deployed in a manner to minimize adverse effects on non-intended targets (click <https://sanctionsmap.eu/#/main> for a map of countries currently subject to EU sanctions).

#### 2.4.4 U.S. and Non-U.S. Export and Import Control Laws and Regulations

Nearly all countries in which TTI sells its products or conducts business impose export and import controls to protect national security interests and promote foreign policy objectives. Many of these countries also participate in various multilateral export control regimes (e.g., Wassenaar Arrangement) to prevent the proliferation of weapons of mass destruction and prevent destabilizing accumulations of conventional weapons and related material.

In the United States, for example, the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") controls the export and re-export of commercial goods (i.e., TTI's products, technology, software and services), dual-use goods and certain munitions. The U.S. Department of Homeland Security's Bureau of U.S. Customs and Border Protection controls the import of TTI's products into the U.S. and enforces other U.S. Department and Agency laws and regulations. In the United Kingdom, the agency with jurisdiction over the export of commercial, dual-use goods is the Department of International Trade which is part of the Department for Business, Energy and Industrial Strategy ("BEIS").

Despite TTI's products being commercial in nature, TTI must comply with local and other non-local applicable economic sanctions and export/import control laws and regulations when effecting exports or imports to ensure compliance.

# 3. Policy Requirements.

This Policy is of a general nature as it covers all TTI companies. Each individual employee is responsible for reading and complying with this Policy. The Policy may be supplemented with procedures for implementation as necessary.

## 3.1 Risk Assessment of Global Trade Laws, Regulations and Economic Sanctions

Risk assessments and audits may be conducted to determine risk in the Company's policies and procedures and operations, including customers, products and services being provided, website access, business relationships (procedures for reviewing vendors providing goods or services to the Company, as well as the Company's supply chain), intermediaries, counterparties, transactions, and geographic locations to determine the appropriate screening and due diligence procedures.

Internal Audit, Business Unit General Counsels and/or TTI's Group SVP and Chief Counsel – Global Compliance (or delegates) may perform, or cause to be performed, periodic risk assessments and/or audits to evaluate whether there have been any changes in law, practices or the business that would warrant an adjustment to this Policy. The necessary steps will be taken to address any adjustments, including, but not limited to, amending the Policy, re-training under the Policy and the correction of any deficiencies to ensure compliance.

# 3. Policy Requirements

## 3.2 Internal Controls

Each TTI company shall have reasonable internal controls in place to ensure compliance with all applicable laws and regulations and this Policy. The TTI Group SVP and Chief Counsel – Global Compliance will provide any needed guidance that TTI business functional areas might need to implement policies and internal controls tailored to the Company’s operations to appropriately mitigate its export/import control laws, regulations and economic sanctions compliance risks.

Each TTI company shall have appropriate risk-based procedures to screen parties with which TTI contracts or engages in any transaction against the SDN List and sanctioned countries, as well as other applicable denied, debarred or otherwise embargoed or sanctioned lists, before entering any contract or otherwise completing a transaction with that party. TTI has access to appropriate technologies to allow for real-time, dynamic screening of parties (e.g., Thomson Reuters Onesource, Global Trade Management (Oracle)).

Any third parties with whom a TTI company has dealings, including but not limited to customers, business partners, counterparties, vendors, suppliers, and employees, should be screened against the SDN List and other above-referenced lists to ensure compliance with this Policy. In connection with the aforesaid screening, third party data (e.g., name and address, including country) should be screened prior to meaningful contact with an entity or person - which means prior to entering into a business dealing with the third party. In addition, third party data in each TTI company’s databases should be screened periodically (when not using a dynamic restricted party screening tool such as Thomson Reuters Onesource) to detect changes since the initial screening (e.g., in case the third party has been added to the SDN List).

TTI’s Legal Department requires all TTI businesses to report in writing proposed transactions, or suspected violations, that may involve sanctioned countries or persons (including applicable denied, debarred or otherwise embargoed or sanctioned persons or entities lists) to the business unit’s General Counsel and TTI’s Group SVP and Chief Counsel - Global Compliance for review and adjudication and/or investigation as appropriate.

Screening often results in false-positive “hits” – that is, names that match (in whole or in part) information on the SDN List, but that are in fact different entities or individuals than those on the SDN List. If a “hit” is questionable, the matter must be reported to the business unit’s Trade Compliance Leader to determine whether a “hit” is “true” or “false” and recommend appropriate action. Where doubt continues to exist, or a suspected violation has occurred, the business unit’s Trade Compliance Leader will escalate the matter to the BU’s General Counsel and Group SVP and Chief Counsel - Global Compliance who in turn will escalate, where warranted, to the Head of Group Legal, Compliance and Corporate Governance for final adjudication – including disclosure to OFAC.

If a TTI company outsources certain operations to a vendor, the TTI company must ensure that any screening or control that this Policy would require the local operating company itself to perform for such operations is appropriately performed by the vendor to which the operation is outsourced. Future outsourcing contracts subject to this obligation (including renewals, extensions, or amendments of existing outsourcing contracts) should include binding and enforceable contractual provisions on the third party’s obligations for screening and controls.

To ensure that the adopted policies, procedures and internal controls are being followed, TTI should monitor, assess and/or audit its operations. Internal Audit (or delegates) will have responsibility for auditing compliance with this Policy. A compliance or audit checklist to be used by Internal Audit should be created by the BU’s General Counsel, BU Senior Trade Compliance Leader and TTI Group SVP and Chief Counsel – Global Compliance (or delegate) and tailored as appropriate for each TTI business. If a weakness is identified, the Company shall take immediate remedial action to address the root cause.



# 3. Policy Requirements

## 3.3 Training

The BU's General Counsel, BU Senior Global Trade Compliance Leader and TTI SVP and Chief Counsel – Global Compliance (or delegates) will have responsibility for the compliance training function under this Policy. This position will have primary responsibility for the preparation and dissemination of training programs to all applicable TTI employees and to assist TTI companies in properly communicating and training on policies, procedures and internal controls applicable to those employees who have responsibility for the implementation of the requirements of this Policy.

All official training records, including name, title and contact information of each trainee, as well as course title and length of training session, shall be retained by the business units.

## 3.4 Conflicts of Law

In some instances, economic sanctions (and export/import control laws and regulations) imposed by one country are opposed by other countries for national security and foreign policy reasons of their own (e.g., blocking-type statutes). Notable examples include the Canadian opposition to the U.S. unilateral embargo of Cuba. These conflicts present special compliance challenges for companies that do business internationally. All matters involving conflicts of this type should be referred to the BU's General Counsel and TTI SVP and Chief Counsel – Global Compliance to address potential legal risks under all applicable laws.

## 3.5 Responsible Party

TTI's Head General Counsel, Compliance and Corporate Governance or General Counsel or SVP and Chief Counsel – Global Compliance (or delegate) shall assess the adequacy of the Policy periodically and approve any changes to the Policy.



I hereby acknowledge that I have carefully read and fully understand the contents outlined in the Supply Chain Compliance Policies Bundle. The Company and its affiliates I act on behalf of are committed to complying with them.

**Company Name:**

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**Full Name:**

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**Title:**

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**Date:**

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**Company Chop:**

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