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1. Introduction ●

Compliance with anti-corruption laws is a central part of our commitment to maintaining the highest standards of ethics and integrity. We expect our employees and business partners to comply with all relevant laws in all jurisdictions in which we operate, abiding by the letter and spirit of these laws with the understanding that their actions reflect our ethical reputation.

This Policy sets out the expectations and standards that our employees and business partners must meet.

This Policy applies to:

- Techtronic Industries Co., Ltd. and its majority-owned/controlled subsidiaries and affiliates across the globe (collectively, “**TTI**” or “**TTI Group**” or “**the Company**”);
- All TTI employees, including full-time, part-time, contract and temporary employees (collectively, “**TTI Employees**”);
- All TTI business partners, including distributors, dealers, resellers, suppliers, joint venture partners, agents, intermediaries and consultants, subcontractors, manufacturer’s representatives, and other third parties acting on behalf of TTI (collectively, “**TTI Business Partners**”).

Examples of anti-corruption laws include but are not limited to Hong Kong Prevention of Bribery Ordinance, Vietnam Law on Anti-Corruption, US Foreign Corrupt Practices Act, and UK Bribery Act. To the extent these and other anti-corruption laws apply to TTI and/or its subsidiaries, they must be followed. If these laws impose additional or more stringent requirements than this Policy, those requirements must be followed.

We have zero tolerance for corruption. We must be vigilant and exercise common sense and judgment in assessing whether any arrangement could be perceived to be corrupt or otherwise inappropriate. If you have any questions or become aware of a possible violation of this Policy, please contact us immediately through the resources set forth in this Policy.

2. Core Concepts of Anti-Corruption ●

At TTI, we win over businesses and build relationships honestly and ethically, without resorting to corruption. This is the expectation that all TTI Employees and TTI Business Partners are required to comply with, together with all applicable anti-corruption laws and regulations. Doing so requires a certain level of prerequisite knowledge which serves as the basis for all anti-corruption laws and regulations.

2.1 What is Corruption?

Corruption is the abuse of an entrusted power or position for an improper business advantage or private gain. The most common form of this is bribery.

2.2 What is Bribery?

Bribery generally involves paying or offering anything of value to improperly influence a decision or action (e.g. to do, to refrain from doing, to expedite, to delay), or to obtain or retain an improper business advantage.

Anything of value may be a bribe. This includes:

- Cash payments
- Cash equivalents (e.g. gift cards)
- Gifts, hospitality, sponsored travel, or other business courtesies
- Charitable contributions or sponsorships
- Political contributions
- Employment
- Kickbacks (e.g. when a business partner offers or pays a portion of their profits if you favour them over other businesses during a business transaction)

Bribery can take place where the payment or offer is made:

- **Directly** to the person whose actions or decisions the bribe is intended to influence; or
- **Indirectly** through a third party (e.g. an agent, subcontractor, consultant, or family member of the person at whom the bribe is aimed)

2.3 Who is a Government Official?

Anti-corruption laws and regulations often impose heightened restrictions on interactions with government officials, resulting in more care required in avoiding even the slightest perception of corruption.

For the purposes of this Policy, the term “government officials” includes:

- Anyone holding elected or appointed government offices;
- Anyone holding a legislative, administrative or judicial position (e.g., government ministers, legislators, civil servants, magistrates or judges);
- Any employee, officer or agent of government departments and agencies (including tax or customs officials) regardless of rank;
- Any employee, officer or agent of state-owned/controlled entities, including state-owned/controlled enterprises (e.g., national airlines or rail operators);
- Any employee, officer or agent of public institutions (e.g., universities);
- Any political party official, representative or candidate;
- Any member of royal families who may lack “official” authority but who maintains ownership or managerial interests in government enterprises;
- Any employee, officer or agent of public international organisations (e.g., the World Bank, the International Monetary Fund, and the United Nations);
- Anyone acting in an official capacity for a government or a public international organisation, including uncompensated officials if they have actual influence in awarding business on behalf of the government or organisation.

2. Core Concepts of Anti-Corruption

2.4 What is a Gift?

A gift is anything of value that is given or received, which could potentially influence the recipient's actions or decisions in an official or business capacity.

A gift could be cash or cash equivalents (e.g. gift cards), physical items (e.g. tickets, electronics, jewellery, branded merchandise), or services or favours (e.g. free consulting, discounts).

Note that a gift does not include items and benefits which have no intended recipient, instead serve as general merchandise for expressing business promotional purposes (e.g. company merchandise t-shirts, mugs, pens).

2.5 What is Hospitality?

Hospitality refers to the provision of meals, receptions, invitations to sporting or cultural events, and other forms of entertainment, which could potentially influence the recipient's actions or decisions in an official or business capacity.

2.6 What is Sponsored Travel?

Sponsored travel refers to the provision of transportation (domestic or international) and accommodation, which could potentially influence the recipient's actions or decisions in an official or business capacity.

3. Requirements for TTI Employees ●

As TTI Employees, you must:

- Never directly or indirectly offer, provide, solicit, accept, or receive bribes or other improper benefits to or from any person, whether that person is a government official or a party in the private sector.
- Avoid even the perception of bribery or corruption.

3.1 General Guidelines

Business courtesies such as gifts, hospitality and other customary courtesies are designed to build goodwill among business partners. As such, you must:

- Ensure that any gifts, hospitality, or other business courtesies offered, provided, accepted, or received are compliant with this Policy and the applicable laws and regulations; and
- Avoid situations where the courtesies may compromise, or appear to compromise, your or others' integrity or ability to make objective and fair business decisions.

Our customers and TTI Business Partners may have codes of conduct and other policies that impose restrictions on the gifts, hospitality, and other business courtesies their personnel may receive. You must ensure that any courtesies or benefits provided in connection with TTI's business are compliant with their organisational policies.

3.2 Gifts, Hospitality and Sponsored Travel

As TTI Employees, you must:

- **Never solicit** any gifts, hospitality, or sponsored travel from TTI Business Partners, customers, or other third parties in connection with TTI's business.
- **Politely decline** any gifts, hospitality, or sponsored travel that is lavish, frequent or inappropriate in nature.
- **Never offer or provide** gifts, hospitality, or sponsored travel to TTI Business Partners, customers, or other third parties for the purpose of obtaining or retaining improper business advantage.

Gifts, hospitality, and other business courtesies are only permissible where they are made in accordance with this Policy, and have met all the criteria below and applicable regional Guidance on the Acceptance of Gift, Hospitality and Travel including value thresholds:

- The gift, hospitality, or other business courtesy is not offered, provided, accepted, or received with any corrupt intent or with an aim to obtain an improper business advantage;
- There is a clear and legitimate business purpose (e.g., the provision or receipt of gift, hospitality, or other business courtesy is necessary to promote or demonstrate TTI's products or services);
- The value of the gift, hospitality, or other business courtesy is reasonable according to normal and proper business practice;
- The nature of the gift, hospitality, or other business courtesy is appropriate to the relationship and conforms with general business practice;
- The gift, hospitality, or other business courtesy will not create a sense of obligation on the recipient to offer or provide something in return, nor is there any expectation for the recipient to do so;
- The gift, hospitality, or other business courtesy is not offered, provided, accepted, or received during a particularly sensitive period (e.g., during a pitch or contract negotiation);
- The gift, hospitality, or other business courtesy is not offered, provided, accepted, or received frequently to or from the same person;
- The gift, hospitality, or other business courtesy is compliant with local laws and customs, as well as the recipient's organisational policies;
- The provision or receipt of the gift, hospitality, or other business courtesy will not give rise to any actual, potential or perceived conflict of interest;
- The gift, hospitality, or other business courtesy is offered or provided in a transparent manner and is accurately documented and recorded.

3. Requirements for TTI Employees

You may offer or accept a gift if it is of nominal value, provided that it is infrequent, given with no corrupt intent or expectation of anything in return, and compliant with this Policy and applicable regional Guidance on the Acceptance of Gift, Hospitality and Travel.

You may offer or accept hospitality if it is reasonable, modest, and infrequent, provided that there is a legitimate and non-corrupt business purpose connected to it (e.g. meeting with TTI Business Partners or customers for a meal to discuss business) and it is compliant with this Policy and applicable regional Guidance on the Acceptance of Gift, Hospitality and Travel.

You may offer or accept sponsored travel if it is reasonable considering the surrounding circumstances (i.e. nature, purpose, relationship, frequency), conforms with generally accepted business norms, and compliant with this Policy and applicable regional Guidance on the Acceptance of Gift, Hospitality and Travel.

Examples of acceptable gifts include:

- Promotional items bearing a company logo
- Greeting or holiday cards
- Simple food items
- Reasonably priced plants or flowers

Cash gifts are not encouraged, and should only be offered, provided, accepted, or received in accordance with the following criteria:

- The cash gift is provided as part of a national or cultural holiday;
- The cash gift is reasonable in value for the occasion; and
- No more than one cash gift is offered, provided, accepted, or received to or from the same person during the holiday or cultural event period

Care must be taken for both high-value and low-value gifts:

- **High-value**, lavish gifts which do not conform with business norms are likely to attract scrutiny, particularly if the parties have dealings with one another.
- **Low-value** gifts may also attract scrutiny, particularly where they are one of several gifts which aggregate to an unacceptable value.

3.3 Kickbacks

Kickbacks are strictly prohibited under this Policy. You must not offer, provide, solicit, accept, or receive kickbacks to or from any person, whether that person is a government official or a party in the private sector.

Kickbacks typically involve payments that aim to influence decisions and actions or to obtain an improper business advantage, often giving rise to a conflict of interest.

Any request for kickbacks from third parties should be promptly reported to your supervisor, Legal Department or through the anonymous reporting mechanisms provided in the latter part of this Policy as appropriate.

3. Requirements for TTI Employees

3.4 Other Payments and Contributions

Facilitation Payments

Facilitation payments, regardless of whether they are legal under local law, are strictly prohibited under this Policy.

Facilitation payments are small payments made to government officials to expedite routine government actions. This mainly involves the provision of licenses, permits, visas or customs clearance to which TTI is normally entitled.

Any request for a facilitation payment made by a government official should be reported to your supervisor, Legal Department or through the anonymous reporting mechanisms provided in the latter part of this Policy as appropriate.

The use of third parties to offer or make improper payments is prohibited. All third parties must undergo appropriate due diligence, and all payments to third parties must be made against documented, legitimate services rendered, and be properly recorded. Any suspicious activity must be reported to your supervisor, Legal Department or through the anonymous reporting mechanisms provided in the latter part of this Policy as appropriate immediately.

Political Contributions

Political contributions of a non-personal character are strictly prohibited under this Policy unless with requisite scrutinization and approval.

While we respect your right to engage in personal political activities, you must be mindful of the potential impact to TTI's reputation – political contributions could be used or perceived as an attempt to gain an improper business advantage. Therefore, your personal political activities must be lawful and must not involve the use of TTI's funds, time, or resources.

Charitable Contributions and Sponsorships

Charitable contributions and sponsorships must be carefully carried out to ensure that it is not used or perceived as a disguise for bribery. (E.g. A donation is provided to a "charity" controlled by a government official who is in a position to make decisions affecting TTI.)

This shall not obscure the fact that TTI supports community development through the provision of charitable contributions and sponsorships, whether through services, knowledge, time, or direct financial contributions.

Care must be taken to ensure that:

- The purpose and recipient(s) of the charitable contribution or sponsorship are legitimate;
- The contribution or sponsorship amount is reasonable; and
- The contribution or sponsorship is made in a transparent manner, is accurately recorded in TTI's books and is not diverted to other beneficiaries.

3. Requirements for TTI Employees

3.5 Conflict of Interest

A conflict of interest arises where TTI's interests and your interests diverge and compete with one another. It may cause bias, or a perception of bias, in business decisions and actions and result in reputational damage and other adverse consequences.

As a TTI Employee, you must:

- Act in TTI's best interests, and must not allow your personal interests to conflict with, or appear to conflict with, the interests of TTI; and
- Avoid any actual, potential, or perceived conflict of interest that may have an impact on your ability to properly discharge your duties as TTI Employees.

Actual, potential, or perceived conflicts of interest may arise where you engage in:

- **Conduct relating to bribery and corruption:** Soliciting, accepting or receiving gifts or other items of value from TTI Business Partners or others in violation of our Anti-Corruption Policy.
- **Engagement in outside activities:** Engaging in non-TTI activities (including outside employment, business, or other activities) that may conflict with TTI's interests. This includes involving in the management, operations or control of, acting as an employee, officer, consultant, agent or representative of, or providing services to any non-TTI parties.
- **Interests in TTI Business Partners or other third parties:** Acquiring or holding directorship, shareholding, or other direct or indirect commercial or financial interests in any party which competes with TTI, or with which TTI maintains or is actively seeking a business relationship. This does not, however, prohibit employees from investing in publicly traded companies or index funds that invest in TTI Business Partners or third parties.
- **Familial or other close personal relationships:** Having familial or other close personal relationships with anyone who (i) seeks employment or other positions at TTI; or (ii) holds any employment (except short-term internship programs), office, directorship, or other positions, or has any direct or indirect commercial or financial interests (e.g., shareholding), in any party which competes with TTI, or with which TTI maintains or is actively seeking a business relationship. A potential or perceived conflict of interest will be presumed to have arisen if the person in question is your spouse or partner, parent, child, or sibling and, therefore, must be disclosed to TTI. For other types of relationships, you are required to exercise common sense and judgment in assessing whether a disclosure is warranted.
- **Use of TTI resources or information.** Using TTI services, facilities, property, or information or otherwise taking advantage of your position at TTI for personal gain.

3.6 Due Diligence Process for Engagement of Third Parties

TTI regularly engages third parties as part of our business in the provision of essential goods and services. Since they are regarded as an extension of TTI, we can be liable for any corrupt acts they carry out while conducting business for us.

To this end, we must follow our robust due diligence process to ensure that TTI only engages with third parties that represent our brand and values. This process allows us to review potential business partners and monitor existing partners.

Gathering Background Information

The due diligence process begins with collecting background information on a third party which we consider engaging. Before entering into any agreement with the third party, you should gather the following information:

- Company registration information;
- Names, nationalities and resumes of all principal officers, directors and shareholders;
- List of all related entities;
- Revenue history of the third party over the last 3 to 5 years;
- 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 third party; and
- Reputation of the third party, including any negative media.

3. Requirements for TTI Employees

Identifying Red Flags

Please review and analyse the background information collected to identify any “red flags” indicating that the third party may be susceptible to corruption or otherwise unsuited to carry out their responsibilities. The common red flags include:

- Questionable background or reputation (e.g., where the third party was involved in allegations of fraud, bribery, or other improper business practices);
- Lack of reputable business/personal references;
- Unknown to industry competitors;
- Referred to us by a government official;
- Seems unqualified to provide the services we need;
- Unwilling to reveal identities of its owners, principals, directors or employees;
- Not open to agreeing with our Business Partner Code of Conduct;
- Requests unique or unusual payment arrangements (e.g., payment in cash, payment in another country’s currency, payment to seemingly unrelated parties or payment to a bank account in a different country); and
- Directly or indirectly owned, controlled or otherwise connected to TTI Employees.

Any red flags identified should promptly be reported to your supervisor. If there are still serious concerns after discussion with your supervisor, please escalate to Legal Department for further review before moving forward with the engagement.

Monitoring Performance

Please monitor and assess our engagements with TTI Business Partners on an ongoing basis and immediately contact Legal Department if a TTI Business Partner takes any of the following actions:

- Does not pay TTI 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 members to meetings, gatherings or other events involving government officials;
- Receives negative feedback from or fails any TTI or third-party audit;
- Becomes involved in bankruptcy proceedings;
- Becomes the subject of negative media involving allegations of fraud, bribery, or other improper business practices; and
- Becomes the subject of a complaint or investigation, or subject to any civil, administrative or criminal fines or other penalties, in relation to actual or potential breaches of applicable laws and regulations including anti-corruption laws.

The above lists of red flags are not exhaustive. If you have any questions or concerns, please immediately report to your supervisor. If such questions or concerns could not be resolved with your supervisor, please contact Legal Department for further guidance.

Determining Compensation

TTI Business Partners must ensure that any compensation is consistent with fair market value of the goods and services in question, and that any success fees and premiums have been pre-approved by Legal Department, closely monitored and properly documented.

3. Requirements for TTI Employees

3.7 Reports, Pre-Approval and Record-Keeping

Reports of Gifts, Hospitality and Sponsored Travel

With reference to this Policy and applicable regional Guidance on the Offer and Acceptance of Gift, Hospitality and Travel, TTI Employees must report anything (above value threshold) offered to or received from TTI Business Partners, customers, or other third parties in the course of your work by completing and submitting to HR Department a form of Report on Gifts and Hospitality Received, within 10 working days from the date of the offer or receipt. Details on the requisite procedure for the report of gifts and hospitality and the form can be found in Appendix I.

Reports of Conflict of Interest

TTI Employees must promptly and fully disclose to HR Department any actual, potential, or perceived conflict of interest to TTI by completing and submitting a Conflict-of-Interest Declaration Form for Employees within 10 working days from the date on which the conflict arises. Details on the requisite procedure for conflict-of-interest declaration reports and the form can be found in Appendix II.

Pre-Approval

TTI Employees must obtain prior written approval from a President of the Business Unit or Group Executive Director before offering or providing any gift, hospitality, or sponsored travel to government officials. President of the Business Unit or Group Executive Director may consult Legal Department in case of doubt.

TTI Employees must obtain prior written approval from a President of the Business Unit or Group Executive Director for any sponsored travel offered, provided, solicited, accepted, or received in connection with your role at TTI to or from a third party.

Details on the requisite procedure for the report and pre-approval and the form can be found in Appendix I.

Record-Keeping

TTI Employees must maintain accurate records of any gifts, hospitality, or sponsored travel offered, provided, solicited, accepted, or received and provide such records to TTI upon request.

4. Requirements for TTI Business Partners ●

As TTI Business Partners you are required to:

- Conduct business honestly, ethically, and with integrity
- Comply with all applicable laws and regulations
- Comply with this Policy
- Comply with TTI's Business Partner Code of Conduct and other applicable policies

4.1 Prohibition Against Bribery

As TTI Business Partners you must:

- Not engage in any form of deceptive, fraudulent or corrupt practices;
- Never directly or indirectly offer, provide, solicit, accept, or receive bribes or kickbacks to or from any person, whether that person is a government official or a party in the private sector (e.g., a TTI Employee);
- Never offer or provide bribes, kickbacks, or other items of value to TTI Employees, customers, or other third parties for obtaining any improper business advantage in relation to TTI.

The above prohibitions are equally applicable to a TTI Business Partner's employees, officers, agents, representatives, and other third parties conducting business on your behalf.

4.2 Gifts, Hospitality and Sponsored Travel

As TTI Business Partners you must:

- Not offer, provide, solicit, accept, or receive to or from any parties (including TTI Employees) any gifts, hospitality, or other items of value that violate, or have the potential to violate, this Policy.

Nonetheless, it is recognized that the exchange of gifts, hospitality, or other courtesies may be a common business practice. As such, this may be considered acceptable if the gifts are in the form of:

- Modest and infrequent hospitality in the form of meals and refreshments offered in connection with a meeting;
- Gifts that are modest or nominal in value, infrequent, provided in a transparent manner and offered with no expectation that anything will be provided in return;
- Sponsored travel and accommodation that are reasonable, infrequent, and provided in a transparent manner and in connection with a legitimate business purpose.

You must maintain accurate records of any gifts, hospitality, or sponsored travel offered, provided, solicited, accepted, or received and provide such records to TTI upon request.

4. Requirements for TTI Business Partners

4.3 Conflict of Interest

As TTI Business Partner, a conflict of interest arises where you have a personal or financial relationship with a TTI Employee or TTI Employee's familial or other member with close personal relationship (including spouse or partner, parents, children, and siblings), which could compromise the connected TTI Employee's objectivity, integrity, or loyalty to TTI.

As a TTI Business Partner, you must:

- Not engage in any conduct or activities that may compromise, or appear to compromise, your and the connected TTI Employee's integrity and ability to act lawfully, ethically, and fairly in relation to TTI;
- Promptly and fully disclose to TTI any actual, potential or perceived conflict of interest relating to TTI's business including but not limited to where any TTI Employee or their familial or other member with close personal relationships holds any employment, office, directorship, or other positions, or have any direct or indirect commercial or financial interests (e.g., shareholding) at your organisation;
- Complete an annual conflict of interest declaration for Business Partners via the designated TTI system and make additional disclosure to TTI as appropriate.

4.4 Adequate Procedures and Training

You must ensure that you have adequate procedures in place to identify and manage bribery and corruption risks.

You must ensure that all relevant personnel (including your employees, agents, and other third parties conducting business on your behalf) are provided training and communication of adequate guidelines. All relevant personnel should be familiar with the applicable anti-corruption requirements.

5. Record-Keeping ●

All TTI Employees and TTI Business Partners are required to maintain timely, accurate and complete business records and to provide to TTI upon request any records pertaining to TTI's business. Falsification of business records is strictly prohibited.

In general, TTI preserves business records for 7 years. A longer retention period may be warranted, e.g., where the laws so require or there is a reasonable possibility that the records will be necessary to an investigation or litigation.

TTI Business Partners are required to have in place record-keeping policies that are compatible with TTI's and compliant with all applicable laws and regulations and to provide to TTI upon request any records pertaining to TTI's business.

6. Training ●

TTI provides regular training to employees and certain business partners to equip them with adequate knowledge and skills to identify and manage bribery and corruption risks.

TTI Employees and Business Partners are expected to complete all the assigned training in a timely manner and get familiar with the applicable anti-corruption requirements.

7. Obligation to Cooperate with Audits and Investigations •

TTI shall conduct regular monitoring and periodic audits to evaluate the effectiveness of its whistleblowing and anti-corruption policies, procedures and practices.

TTI may carry out audits and investigations from time to time to check for compliance with policies and rules, follow up on reports of non-compliance, and identify any remediation required. Please refer to our Complaint Resolution Policy and Procedure for details.

All TTI Employees and TTI Business Partners must cooperate fully and openly with any audit or investigation and provide any information and documents which we may reasonably require in a truthful and timely manner.

8. Consequences of Non-Compliance •

In addition to any criminal, administrative, and/or civil penalties (including fines and imprisonment) and reputational damage that may arise from breaches of the relevant laws and regulations, breaches of this Policy may result in the following:

- For TTI Employees, disciplinary and other action including termination of employment;
- For TTI Business Partners, imposition of remedial measures and other action including termination of business relationship.

9. Anonymous Reporting Mechanisms ●

At TTI, we value honest and transparent communications, which are key to our ethical and compliant culture. You are required to report any concerns regarding any actual or potential non-compliance of this Policy. Processes are in place to ensure that such reports are logged, investigated and appropriate action is taken.

We adopt a non-retaliation policy. Measures are in place to ensure reports are treated confidentially to the extent possible, and anyone raising legitimate concerns in good faith will be protected. We will not permit retaliation of any kind against anyone for making good faith reports about actual or suspected violation of this Policy. We also will not tolerate any attempt to harm or slander another through false accusations, malicious rumours, or other bad faith actions.

If you have any questions or concerns, or become aware of any actual or suspected breach of this Policy, please immediately reach out to one or more of the following as appropriate:

- Head of Group Legal, Compliance and Corporate Governance
- Legal Department;
- Human Resources Department;
- If you are an employee of TTI and unless the nature of the issues involved makes it inadvisable, your supervisor.

You may also anonymously report your concerns to us by:

Email:

✉ ttiinquiries@fulcrum.com

Hotline:

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

Mail:

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

Fax:

☎ +1.213.891.1300 (US fax line)

Appendix I

Gifts, Hospitality, and Sponsored Travel Procedure and Reporting Form ●

Step 1: Reporting

TTI employees who offer or receive gifts, hospitality or sponsored travel in connection with their roles at TTI should:

1. check this Policy and applicable regional Guidance on the Acceptance of Gift, Hospitality and Travel and determine if reporting obligation applies. If reporting obligation applies,
2. provide the details of the benefits offered or received;
3. state whether other gifts, hospitality or sponsored travel has been previously offered by or to, or received from or provided to the same party, and if so, provide details (including the nature, value, and frequency) of the previous gifts, hospitality or sponsored travel in the preceding 12 months;
4. make suggestions on how the benefits should be disposed of or dealt with; and
5. state the reasons for the suggestions.

by completing the report form (Appendix I) and submitting the form to HR Department.

Step 2a: Approval by HR Department and Department Head

HR Department and Department Head should review the report form and assess the appropriateness of the suggested method of disposal in accordance with this Policy and applicable regional Guidance on the Acceptance of Gift, Hospitality and Travel. HR Department and Department Head should determine final approval and docket the Form.

In case of doubt, HR Department and Department Head shall consult with Legal Department.

Step 2b: Pre-Approval by President of the Business Unit or Group Executive Director

In case of gifts and hospitality to government officials, or any sponsored travel to be offered to or received from any third party, HR Department must forward the Form to a President of the Business Unit or Group Executive Director for pre-approval.

In case of doubt, the President of the Business Unit or Group Executive Director may consult with Legal Department.

Step 3: Record-Keeping

HR Department shall keep record of the report forms.

Report on Gifts, Hospitality, and Sponsored Travel

This Report is with respect to a gift / hospitality / sponsored travel that is:

Offered Received*

TTI's Information	
Applicant Name:	Staff No.:
Department:	Dept. Code:
Email:	Region:

Third Party's Information	
Name:	Title:
Company:	
Relationship with TTI: *e.g. supplier / customer / potential supplier / government official	
Address:	

Gift / Hospitality / Sponsored Travel Information	
Date offered / received: _____	Total / estimated value: _____ Currency: _____
Description of gift / hospitality / sponsored travel:	
Context behind offering / reception of gift / hospitality / sponsored travel:	
Is this a first-time gift / hospitality / sponsored travel from/to the same party? [Yes / No]	
If "No", please describe all previous gift / hospitality / sponsored travel offered to or received from the same party in the last 12 months:	

Report on Gifts, Hospitality, and Sponsored Travel (Cont.)

Suggested Method of Disposal <i>(For reception of gifts/hospitality only)</i>	
To be retained by the receiving employee To be retained for display in the office To be shared among the office To be reserved as a lucky draw prize at a company function To be donated to a charitable organisation To be returned to the Offeror Other: _____	<u>Remarks</u>
I verify that all the information I have provided in this Form is true and accurate.	
Signature of Applicant _____	Date _____

Request Form Approval	
I <u>[approve / do not approve]</u> of the above request.	
Signature of Department Head _____	Date _____
I <u>[endorse / do not endorse]</u> of the above request.	
Signature of HR Department _____	Date _____
**I <u>[approve / do not approve]</u> of the above request.	
Signature of President / Group Executive Director _____	Date _____

* "Offered" means any gifts, hospitality or sponsored travel offered by a third party to a TTI Employee; "Received" means any gifts, hospitality or sponsored travel received by a TTI Employee from a third party

** applicable in cases of gift and/or hospitality to be offered to government officials, or any sponsored travel to be offered or received

Appendix II.a

Conflict-of-Interest Procedure and Declaration Form for Employees ●

Step 1: Identifying a Conflict-of-Interest Situation

As TTI Employees or Business Partners, you shall identify any actual, potential, or perceived conflict of interest with reference to this Policy. In case of doubt, you shall contact TTI's Legal Department.

Step 2: Reporting

You must promptly and fully disclose any actual, potential, or perceived conflict of interest to TTI by completing and submitting a declaration form (Appendix II.a / Appendix II.b) using the method prescribed below as soon as possible, and in any case, by no later than 10 working days from the date on which the conflict arises. For example:

- In relation to acquiring or holding interests in TTI Business Partners or other third parties, a conflict may arise when you become interested in the relevant TTI Business Partners or other third parties, or when TTI seeks to develop a business relationship with the business partner or third party in question;
- In relation to having familial or other close personal relationships with a person who seeks employment at TTI, a conflict may arise when the recruitment process in relation to that person begins (e.g., when a job application is made);
- In relation to having familial or other close personal relationships with persons who hold any employment or other interests in TTI Business Partners or other third parties, a conflict may arise from the date on which the employment or interest is being offered or considered, or when TTI seeks to develop a business relationship with the business partner or third party in question.

A TTI Employee's declaration form (Appendix II.a) should be sent to HR Department.

A TTI Business Partner's declaration form (Appendix II.b) should be sent to Legal Department through its respective TTI contact.

Appendix II.a

Conflict-of-Interest Procedure and Declaration Form for Employees

Step 3a: Handling of TTI Employee's Conflict of Interest

HR Department shall consult the responsible person for proper handling of the declared conflict and document the assessment and measures to mitigate and manage the conflict if any.

For employees who are of senior manager grade or below, the department head should assess whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities and recommend measures to mitigate and manage the conflict.

For employees who are of director grade or above:

- HR Department should make recommendation to a President of the Business Unit or a Group Executive Director where appropriate on whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities; and
- The President of the Business Unit or Group Executive Director shall have the final authority to determine whether the declared conflict raised any concerns and the measures to mitigate and manage the conflict.

In case of doubt, HR Department may consult Legal Department.

Step 3b: Handling of TTI Business Partner's Conflict of Interest

Legal Department shall consult the responsible person for proper handling of the declared conflict and document the assessment and measures to mitigate and manage the conflict if any.

Where the implicated employee is of senior manager grade or below, the department head shall assess whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities, and recommend measures to mitigate and manage the conflict.

Where the implicated employee is of director grade or above:

- Legal Department should make recommendation to a President of the Business Unit or a Group Executive Director where appropriate on whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities; and
- The President of the Business Unit or Group Executive Director shall have the final authority to determine whether the declared conflict raised any concerns and the measures to mitigate and manage the conflict.

Step 4: Record-Keeping

HR Department shall keep record of TTI Employees' declaration forms.

Legal Department shall keep record of TTI Business Partner's declaration forms.

Conflict of Interest Declaration (Employee)

Staff Name: _____ Staff No.: _____
 Region: _____ Position: _____
 Department: _____ Depart. Code: _____

Part A: Employee Declaration

I hereby declare and warrant, to the best of my knowledge and belief, and after due enquiry as at the date of this declaration, that:

<p>I, my spouse, or my Relatives⁽¹⁾, are not directly or indirectly engaged in any activity or relationships which may give rise to a conflict of interest.</p>
<p>I, my spouse, or my Relatives⁽¹⁾, are directly or indirectly engaged in any activity or relationships within TTI which may give rise to a conflict of interest.</p> <p>1. Name of Person: _____ 2. My Relationship with the Person: _____ 3. Person's Relationship with TTI: _____ 4. Date of Conflict Arising: _____ 5. Context of Conflict of Interest: _____ _____</p>
<p>I, my spouse, or my Relatives⁽¹⁾, are directly or indirectly engaged in any activity or relationships outside TTI which may give rise to a conflict of interest.</p> <p>1. Name of Company⁽²⁾/Organisation/Person: _____ 2. My Relationship with the Company⁽²⁾/Organisation/Person: _____ 3. Company⁽²⁾/Organisation/Person's Relationship with TTI: _____ 4. Date of Conflict Arising: _____ 5. Nature of Interest⁽³⁾: _____ 6. Context of Conflict of Interest: _____ _____</p>

I hereby declare that the disclosed information is true and complete to the best of my knowledge.	
Signature	Date
_____	_____

Part B: Approval by the Department Head, President of the Business Unit or Group Executive Director in case of conflict

I affirm that the declared conflict of interest:		
Raises Concerns	Does Not Raise Any Concerns	
And that if the declared conflict of interest raises concerns, the appropriate measures to mitigate and manage shall be to:		
Name	Signature	Date
_____	_____	_____

For the purposes of this Declaration:

(1) "Relative" means any immediate ascendant, any spouse of any such ascendant, any brother/sister of any such spouse; any immediate descendant, spouse of any such descendant; any brother/sister, any aunt/uncle, any nephew/niece, any first cousin, any spouse, any immediate ascendant of any such spouse, and any brother/sister of any such spouse, any step child and adopted child.

(2) "Company" means the Company and its holding company (if any), any of its subsidiaries or affiliated companies.

(3) "Nature of Interest" means the relationship that resulted in the monetary exchange. This may include, but is not limited to: Personal relationship; business relationship (contractual or otherwise); ownership; shareholding; employment; office (remunerated or otherwise).

Appendix II.b

Conflict-of-Interest Procedure and Declaration Form for Business Partners ●

Step 1: Identifying a Conflict-of-Interest Situation

As TTI Employees or Business Partners, you shall identify any actual, potential, or perceived conflict of interest with reference to this Policy. In case of doubt, you shall contact TTI's Legal Department.

Step 2: Reporting

You must promptly and fully disclose any actual, potential, or perceived conflict of interest to TTI by completing and submitting a declaration form (Appendix II.a / Appendix II.b) using the method prescribed below as soon as possible, and in any case, by no later than 10 working days from the date on which the conflict arises. For example:

- In relation to acquiring or holding interests in TTI Business Partners or other third parties, a conflict may arise when you become interested in the relevant TTI Business Partners or other third parties, or when TTI seeks to develop a business relationship with the business partner or third party in question;
- In relation to having familial or other close personal relationships with a person who seeks employment at TTI, a conflict may arise when the recruitment process in relation to that person begins (e.g., when a job application is made);
- In relation to having familial or other close personal relationships with persons who hold any employment or other interests in TTI Business Partners or other third parties, a conflict may arise from the date on which the employment or interest is being offered or considered, or when TTI seeks to develop a business relationship with the business partner or third party in question.

A TTI Employee's declaration form (Appendix II.a) should be sent to HR Department.

A TTI Business Partner's declaration form (Appendix II.b) should be sent to Legal Department through its respective TTI contact.

Appendix II.b

Conflict-of-Interest Procedure and Declaration Form for Business Partners

Step 3a: Handling of TTI Employee's Conflict of Interest

HR Department shall consult the responsible person for proper handling of the declared conflict and document the assessment and measures to mitigate and manage the conflict if any.

For employees who are of senior manager grade or below, the department head should assess whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities and recommend measures to mitigate and manage the conflict.

For employees who are of director grade or above:

- HR Department should make recommendation to a President of the Business Unit or a Group Executive Director where appropriate on whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities; and
- The President of the Business Unit or Group Executive Director shall have the final authority to determine whether the declared conflict raised any concerns and the measures to mitigate and manage the conflict.

In case of doubt, HR Department may consult Legal Department.

Step 3b: Handling of TTI Business Partner's Conflict of Interest

Legal Department shall consult the responsible person for proper handling of the declared conflict and document the assessment and measures to mitigate and manage the conflict if any.

Where the implicated employee is of senior manager grade or below, the department head shall assess whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities, and recommend measures to mitigate and manage the conflict.

Where the implicated employee is of director grade or above:

- Legal Department should make recommendation to a President of the Business Unit or a Group Executive Director where appropriate on whether the declared conflict will raise any concerns after taking into account the scope of the employee's job responsibilities; and
- The President of the Business Unit or Group Executive Director shall have the final authority to determine whether the declared conflict raised any concerns and the measures to mitigate and manage the conflict.

Step 4: Record-Keeping

HR Department shall keep record of TTI Employees' declaration forms.

Legal Department shall keep record of TTI Business Partner's declaration forms.

Conflict of Interest Declaration (Business Partner)

Company Name: _____

Incorporated In (Country): _____

Principal Office Address: _____

Your Relationship with TTI: _____

We⁽¹⁾ hereby declare and warrant, to the best of our knowledge and belief, after due enquiry as at the date of this declaration, that:

<p>We are not directly or indirectly engaged in any activity or relationships which may give rise to a conflict of interest in relation to any business activity with TTI⁽²⁾.</p>
<p>We are directly or indirectly engaged in any activity or relationships which may give rise to a conflict of interest.</p> <p>1. Name of Company⁽³⁾/Organisation/Person: _____</p> <p>2. Our Relationship with the Company⁽²⁾/Organisation/Person: _____</p> <p>3. Company/Organisation/Person's Relationship with TTI: _____</p> <p>4. Date of Conflict Arising: _____</p> <p>5. Nature of Interest⁽⁴⁾: _____</p> <p>6. Context of Conflict of Interest: _____</p> <p>_____</p>

<p>We hereby declare that the disclosed information is true and complete to the best of our knowledge.</p>		
Signature	Title (Circle One)	Date
<p>Legal Representative / Director / Authorized Signatory</p>		
_____	_____	_____
<p>Company Chop (if any)</p> <p>_____</p>		

For the purposes of this Declaration:

- (1) "We" means the Business Partner, together with its holding company (if any), and any of its subsidiaries and affiliated companies.
- (2) "TTI" means Techtronic Industries Co. Ltd. (創科實業有限公司), together with its subsidiaries and affiliated companies.
- (3) "Company" means the Company with which the Business Partner has a relationship or conducts activity with such that a conflict of interest (may) arise(s), and its holding company (if any), and any of its subsidiaries or affiliated companies.
- (4) "Nature of Interest" means the relationship that resulted in the monetary exchange. This may include, but is not limited to: Personal relationship; business relationship (contractual or otherwise); ownership; shareholding; employment; office (remunerated or otherwise).

Appendix III

Policy Breach Examples ●

The following are examples of what may constitute a breach of this policy:

Case Study 1: Nepotism in the workplace

A department head approved the hiring of a new team member, who is a relative of the department head. The hire then worked under the department head's direct supervision. Neither the department head nor the hire declared their familial relationship.

Why was this a problem?

The familial relationship between the department head and the hire in the above scenario gave rise to a potential or perceived conflict of interest. The hiring decision, as well as any subsequent decisions made by the department head in relation to the relative's employment at TTI, could be (perceived as) biased.

What should have happened?

The department head should have disclosed the conflict to TTI at the outset and refrained from participating in the recruitment process. The relative should also have disclosed the conflict to TTI (e.g., via HR Department) as soon as possible. Also, if following an independent process, TTI proceeded to hire the relative, the department head should not have acted as the direct supervisor of the relative and should not have been responsible for, e.g., the appraisal of the relative.

Case Study 2: Managing conflict of interest

An employee's spouse worked at a supplier company. Meanwhile, the employee was responsible for monitoring and evaluating the performance of suppliers, including the company at which the employee's spouse worked. Senior managers are aware of the issue but took no steps to address it.

Why was this a problem?

There was a potential or perceived conflict between the employee's and TTI's interests given the employee's role and responsibilities. The employee's evaluation of the performance of the supplier at which the spouse worked could be (perceived as) biased.

What should have happened?

The senior managers should have adjusted the employee's role and responsibilities (e.g., by assigning someone else to monitor and evaluate the supplier in question) to ensure (perceived) impartiality in the supplier evaluation process.

Appendix III

Policy Breach Examples

Case Study 3: Job opportunity at a supplier

An employee's son recently graduated from university and was looking for a full-time job. The employee was responsible for managing a number of suppliers, one of which offered to hire the employee's son.

Why was this a problem?

The ongoing business relationship with the supplier and the offer of employment gave rise to a potential or perceived conflict of interest, as the offer may have created a sense of obligation on the employee to provide something in return.

What should have happened?

The employee should have declined the offer and reported the matter to TTI.

Case Study 4: Excessive hospitality relating to site visits

An employee responsible for assessing the qualifications of suppliers was required to visit suppliers' sites and factories. A supplier invited both the employee and the employee's family members to attend an overseas site visit and offered to pay for all of their travel expenses, including accommodation at a 5-star hotel.

Why was this a problem?

There was no legitimate business reason for the employee's family members to travel with the employee for the site visit. In addition, the unreasonably generous hospitality offered to the employee and family gave rise to a conflict of interest as it may have created a sense of obligation on the employee to provide something in return.

What should have happened?

The employee should have declined the offer and reported the matter to TTI.

Case Study 5: Business interests in a potential vendor

An existing vendor invited an employee involved in selecting and engaging vendors to set up a new business together whereby the employee would share 20% of the profits of the new business. The plan was for the new business to bid for a project with TTI.

Why was this a problem?

The interest in the new business would likely conflict with TTI's interest and impact the employee's ability to act in TTI's best interest when discharging the duties as an employee.

What should have happened?

The employee should have declined the offer and reported the matter to TTI.

Appendix III

Policy Breach Examples

Case Study 6: Frequent hospitality

At a warehouse visit, a supplier offers to treat a TTI Employee with a meal at a nice restaurant. The Employee is grateful but knows that he must fill in the Report Form. He does this, but then is invited to the restaurant by the same supplier every following week for the next three months. The Employee decides not to fill in the Report Form for the rest of the meals, as he has already filled the first one in.

Why was this a problem?

Although the first meal may have been appropriate given the circumstances, the high frequency of the following meals may appear to be unreasonably generous. This is likely to raise suspicion of corrupt intent. Additionally, the Employee did not attempt to refuse the lavish hospitality, nor did he consider reporting this incident via the Report Form or to his supervisor.

What should have happened?

The Employee should have refused the overly generous hospitality. If he was placed in a position where this would be difficult, he should have filled in the Report Form and reported the incident immediately after the second occurrence. The Employee would have been provided with next steps by his superiors.

Case Study 7: Training staff

The Director of a TTI Business Partner diligently studies and follows all anti-corruption policies. One day, she catches the General Manager working under her supervision receiving an expensive gift from a third party without hesitation. When she confronts the GM, he claims that he had no idea it was prohibited, and that he would have returned or refused the gift had he known.

Why was this a problem?

The Director has a responsibility to ensure that all relevant personnel, such as the GM, are provided training regarding anti-corruption policies, and that these are communicated adequately.

What should have happened?

The Director should have ensured that there were adequate procedures in place to train her employees, such as the distribution and education of the anti-corruption policies to staff from the start.

Appendix III

Policy Breach Examples

Case Study 8: Untrustworthy engagement of third parties

A TTI Employee is looking for a third party to supply a particular material that the Company is running low in. A friend of the Employee recommends a particular third party. Due to the urgency of the situation, the Employee decides that he can skip the formalities and begins negotiations without gathering sufficient background information about the third party.

Why was this a problem?

Although the Employee was worried about the short-term implications of the low material issue, he failed to see the long-term problems that would manifest itself if TTI continued to do business with the third party. Skipping an important step like gathering background information increases the danger of collaboration and puts the Company at risk of being responsible for the third party. Additionally, although the Employee may trust his friend, this may be a notable red flag that needs to be considered.

What should have happened?

The Employee should have followed the Due Diligence Process and ensured that the review procedures were not neglected. He should have gathered critical background information like the revenue history of the third party and its reputation. Additionally, he should have brought up to his superiors about the fact that his friend was discussing this issue with him.

Case Study 9: Receiving red packets

During Chinese New Year, it is common for married individuals to hand out cash gifts in the form of 'red packets' as part of the national and cultural holiday. During this celebration period, a TTI Employee receives a red packet of a nominal amount from a supplier. A few weeks later, after the celebrations have concluded, the Employee receives more red packets of a much larger sum from the supplier, claiming to be "for his family". He accepts the red packets and does not file a report regarding the incident.

Why was this a problem?

Although cash gifts may be accepted as part of the cultural celebration, the acceptance of the red packets outside the celebration period may be perceived as suspicious -- the value of the red packets is large, it is the second instance of such a cash gift, and it was directed to his family.

What should have happened?

Ideally, the Employee should have refused the gift outright. However, given the circumstances, it is reasonable that the Employee accepted it. Nevertheless, he should have filled in the gift form and asked his seniors regarding next steps (e.g. returning the gift).

Appendix III

Policy Breach Examples

Case Study 10: Spousal relationship in the workplace

A TTI Employee has been working in the Operations Department for many years and is now one of the senior managers. Her husband has been trying to join for many years as well and has now finally been accepted into the company. He was also placed into the Operations Department, but in a much lower-ranking position. The Employee understands that spouses should not be working in the same department, but does not want to fill in the report form out of fear that her husband will be transferred away. She also believes that there should be no issues with the reporting chain, as he reports to the junior manager and not to her directly.

Why was this a problem?

Although spousal relationships are allowed within the office, spouses must ensure that they are not working within the same department, and that they have no direct or indirect reporting relationship. Although the Employee refrained from reporting due to love for her husband, they are not permitted to work in the same department together. Additionally, they would not be allowed to work in positions with reporting responsibilities, even if there were a colleague such as the junior manager as an intermediary between them.

What should have happened?

First, the husband should have reported that he shared a spousal relationship with the Employee from the beginning. The fact that he was assigned to the Operations Department despite this relationship shows that he likely did not declare this. Moreover, the Employee should have immediately notified HR Department regarding the fact that her husband was in this department. While it is understandable that she would wish to protect her husband's job, TTI seeks to protect against conflict of interest while simultaneously protecting job security. The Employee should not need to fear for her husband's employment.

