



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.

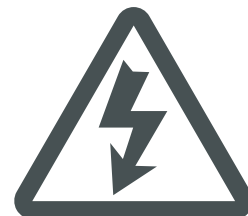
Human Rights: Business Partners shall support and respect the protection of internationally proclaimed human rights and to ensure that it is not complicit in human rights abuses. Business Partners shall comply with their local laws governing slavery and human trafficking and TTI's Policy Against Modern 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

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)



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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)
- 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)
- 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.



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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 Guidance¹ 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.

¹Organization 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.



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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: _____</p> <p>2. My Relationship with the Person: _____</p> <p>3. Person's Relationship with TTI: _____</p> <p>4. Date of Conflict Arising: _____</p> <p>5. Context of Conflict of Interest: _____</p> <p>_____</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: _____</p> <p>2. My Relationship with the Company⁽²⁾/Organisation/Person: _____</p> <p>3. Company⁽²⁾/Organisation/Person's Relationship with TTI: _____</p> <p>4. Date of Conflict Arising: _____</p> <p>5. Nature of Interest⁽³⁾: _____</p> <p>6. Context of Conflict of Interest: _____</p> <p>_____</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: _____ 2. Our Relationship with the Company⁽²⁾/Organisation/Person: _____ 3. Company/Organisation/Person's Relationship with TTI: _____ 4. Date of Conflict Arising: _____ 5. Nature of Interest⁽⁴⁾: _____ 6. Context of Conflict of Interest: _____ _____</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>_____</p>	<p>_____</p>	<p>_____</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.



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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 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

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 ¹
Comprehensive	Comprehensive sanctions prohibit U.S. persons from dealing in any manner with sanctioned countries and their governments.	<ol style="list-style-type: none"> 1. Cuba 2. Iran 3. Crimea Donetsk, Luhansk and Zaporizhzhia Regions (disputed regions between Ukraine and Russia) 4. North Korea 5. Syria 6. Venezuela
Limited	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.	<ol style="list-style-type: none"> 1. The Balkans – Related 2. Belarus 3. Burundi – Related 4. Central African Republic 5. The Democratic Republic of the Congo 6. Iraq – Related 7. Lebanon – Related 8. Libya 9. Magnitsky 10. Mali-Related 11. Nicaragua-Related 12. Rough Diamond Trade Controls 13. Russia 14. Somalia 15. Sudan and Darfur 16. South Sudan – Related 17. Ukraine/Russia – Related 18. Yemen – Related 19. Zimbabwe
List Based	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.	<ol style="list-style-type: none"> 1. Foreign interference in a U.S. election 2. Terrorism and terrorist organizations 3. Narcotics trafficking 4. Persons involved in the proliferation of weapons of mass destruction 5. Persons involved in cyber-related threats 6. Transnational criminal organizations

¹ 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.²

- **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.

² 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 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:

Full Name:

Title:

Date:

Company Chop:
