



APEX TOOL GROUP, LLC

SUPPLIER STANDARDS OF CONDUCT

(effective as of February 1, 2018)

Apex Tool Group, LLC and its subsidiaries (collectively “ATG”) have adopted these Supplier Standards of Conduct (these “Standards”). These Standards are administered by ATG’s legal department, headed by the General Counsel as the Chief Compliance Officer, and with the assistance of its internal audit and global procurement functions. The terms of a specific contract between Suppliers and ATG may contain additional provisions addressing some of these same subjects. Nothing in these Standards is meant to supersede any more specific provision in a particular contract, and to the extent there is any inconsistency between these Standards and any provision of a particular contract, the contract provisions control. These Standards are not meant to supersede any law. Suppliers shall comply with all applicable laws and regulations in every jurisdiction where they operate.

ATG is committed to conducting business in accordance with the highest ethical standards and in compliance with all applicable laws. ATG requires the same commitment from its Suppliers.

“Suppliers” referenced in this Standards means each business enterprise, regardless of its form (such as a corporation, limited liability company, partnership or sole proprietorship) that engages or participates, directly or indirectly, in the sale, consignment, or other provision of goods or services to ATG. Suppliers includes agents, subcontractors and other third parties, and Suppliers cannot avoid the responsibilities and obligations imposed by these Standards by using, or associating with, agents, subcontractors, or other third parties. When we refer to “applicable” law in these Standards we mean the law, including regulations, judicial decrees and other governmental actions that have the force of law, in effect at each location where a Supplier conducts operations with respect to, or that affect, the Supplier’s business with ATG.

ATG conducts business worldwide with Suppliers in many countries with different legal, ethical and cultural systems and beliefs. These Standards describe the minimum standards of conduct that ATG insists that its Suppliers, regardless of their country of domicile or origin, comply with without exception as a condition to doing business with ATG. These Standards are mandatory, and if a Supplier does not comply with them, ATG may terminate its business relationship with the Supplier and take any other action ATG may deem appropriate. If these Standards establish a standard of legal or business-ethics conduct that is higher than local legal or business-ethics requirements, these Standards will always apply to Suppliers that desire to do business with ATG.

Each Supplier shall provide training about these Standards to all of its employees who will conduct business with ATG.

I. SUPPLIER REQUIREMENTS

A. ATG Standards of Conduct. Suppliers shall familiarize themselves with, and support, the ATG Standards of Conduct and the obligations and responsibilities of ATG's associates under such Standards of Conduct. Suppliers shall not take any action, or refrain from taking any action, that the Supplier reasonably could expect would result in, or would facilitate or assist the commission of, a violation by an ATG associate of the ATG Standards of Conduct or any other relevant ATG policies.

B. No Improper Influence. Suppliers shall not attempt to influence an ATG associate, agent or representative (each an "ATG Representative") with respect to any business arrangement through bribery, kickbacks, favors, gifts, sporting or entertainment events, offers of future employment or similar conduct. This prohibition means that Suppliers shall not engage in an action if it is intended to improperly influence, or could create the appearance of improperly influencing, an ATG Representative. This prohibition extends to the relatives of an ATG Representative and to each other person with whom an ATG Representative has a significant personal relationship. A Supplier's cash payment, or the Supplier's giving of a non-cash item with more than a nominal value, to an ATG Representative for personal use will violate this prohibition.

C. No Conflicts of Interest. Suppliers shall not enter into any relationship with an ATG Representative that creates, or reasonably could be expected to create, an actual or a potential conflict of interest for the ATG Representative. For purposes of these Standards, a conflict of interest arises, or reasonably could be expected to arise, when a material personal interest of the ATG Representative is inconsistent with, or adverse to, the ATG Representative's responsibilities to ATG.

D. No Unfair Business Practices. Suppliers shall not engage in bid collusion or customer or market allocation with other ATG's Suppliers. Suppliers shall comply with all applicable antitrust, trade-regulation, and competition laws.

E. Confidentiality. Suppliers may have access to ATG's confidential (non-public) information, such as historical sales results, sales projections, customer and member information, associate information and agreed pricing for merchandise or services offered or sold to ATG. Suppliers shall hold this confidential information in the strictest confidence and shall not (except as required by law) disclose it to anyone without ATG's approval and then only on a need-to-know basis. ATG retains exclusive ownership of its confidential information.

F. Other Compliance. Suppliers shall comply with all other ATG policies, processes, and procedures applicable to Suppliers, and travel, communication, and bidding policies, processes, and procedures. Suppliers shall not attempt to subvert ATG's procurement policies, processes or procedures, including without limitation by making unauthorized contact with ATG Representatives. Suppliers shall comply with all other laws applicable to its business with ATG, including without limitation the U.S. Foreign Corrupt Practices Act, as amended.

G. Inspections, Monitoring and Compliance. ATG reserves the right to conduct announced and unannounced inspections at all Supplier facilities. Facilities must allow ATG employees and designated third party representatives unimpeded access to production and other facilities, documents and workers for confidential interviews to ensure Suppliers' adherence to these Standards.

H. Management Systems. Factories are expected to have management systems, policies, procedures, and practices, to ensure compliance with these Standards.

I. No Retaliation. ATG will not tolerate any retribution or retaliation taken against any individual who, in good faith, reports unlawful or inappropriate activity related to these Standards and/or the audit process.

J. Recordkeeping and Transparency. ATG is committed to working with Suppliers and their facilities that are open and honest. Facilities shall maintain complete and accurate records and information, including but not limited to wage and hour records, so that compliance can be effectively evaluated. Facilities must not falsify or understate aspects of their operations to ATG, our customers or third party representatives. Facilities must not coach employees on how to answer questions or respond to inquiries by ATG, our customers or representatives.

K. Subcontracting. Suppliers must disclose when requested all subcontractors and must not subcontract any portion of the manufacturing process without prior written approval from ATG. All subcontractors must agree to comply with these Standards and facilities are responsible for ensuring their subcontractors are in compliance with these Standards.

II. REPORTING OF VIOLATIONS

Suppliers shall promptly report suspected violations of these Standards and the ATG Standards of Conduct. Suppliers may do so anonymously by contacting ATG by email at:

for non-European Union countries: <https://apextoolgroup.alertline.com>

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