

First Quality's Third Party Code of Conduct

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Introduction

The First Quality group of Companies (jointly "First Quality"), is known for manufacturing products of the highest quality and for first-class customer service. Through the First Quality Code of Conduct, First Quality has established company standards that include: mutual respect, integrity, professionalism, ethical business practices and regulatory compliance. These standards apply to all First Quality Team Members, directors, and officers. We require our vendors, partners, contractors, resellers, distributors and other suppliers and representatives of First Quality, along with their subsidiaries, affiliates and sub-contractors, (each a "Third Party") to embrace this commitment to integrity in carrying out their work. The following "Third Party Code of Conduct" (the "Code") details each Third Party's obligations as a condition of doing business with First Quality. Any non-compliance may be grounds for termination of existing business and/or disqualification from any future business with First Quality.

NOTE: This Code contains general requirements applicable to all Third Parties of First Quality. Particular supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in this Code is meant to supersede any more specific provision in a particular contract, and to the extent there is any inconsistency between this Code and any other provision of a particular contract, the other provision will control.

Compliance with the Third Party Code of Conduct

First Quality is committed to:

- A standard of excellence in every aspect of our business and in every jurisdiction in which we
 operate;
- Legal, ethical and responsible conduct in all of our operations;
- The protection of our intellectual property, confidential and proprietary information;
- Respect for the rights of all individuals, including:
 - Protection of human rights
 - o Fair and non-discriminatory labor practices; and
- Prompt reporting and resolution of violations and potential violations of the Code.

We expect all Third Parties to make these same commitments. These standards cannot address every conceivable situation. Each Third Party is obligated, in all of their activities, to operate in full compliance with the laws, rules and regulations of the countries in which they operate. The fact that an issue is not specifically addressed herein does not relieve a Third Party of their obligation to maintain the highest ethical standards under any and all circumstances. At a minimum, we require that all Third Parties meet the following standards. By conducting business with First Quality, each Third Party agrees that the requirements detailed in this Third Party Code of Conduct are incorporated into and binding on the Third Party and represents and warrants its continued compliance with these standards.

Work Environment

First Quality expects Third Parties to meet the following standards in employing their workforce:

Labor: All labor must be voluntary. Third Parties must not use slave, child, underage, forced, bonded or indentured labor. Third Parties should adopt procedures to ensure they comply with laws against slavery and human trafficking. Where country laws allow children below the age of 14 years to work, First Quality will only recognize the minimum age of 14 years, regardless of the law of the jurisdiction.

Equal Employment Opportunity: First Quality makes all decisions of employment with consideration to appropriate principles of Equal Employment and Affirmative Action. Third parties are likewise obligated to make decisions regarding hiring, developing, promoting and providing other terms and conditions of employment without regard to a person's sex, race, color, age, national origin, religion,

disability, marital status, sexual orientation, gender identity, citizenship, pregnancy, or veteran status, or any other status protected by applicable law.

Non-Discrimination: Third Parties must provide a workplace free of harassment and discrimination. Discrimination for reasons such as race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership or marital status is not tolerated.

Alcohol and Drugs: Third Parties must not possess illegal drugs or controlled substances while on First Quality premises or while conducting business with or for First Quality. This prohibition does not include legally obtained medications used as directed by a licensed medical practitioner. Third Parties must comply with all background check requirements of First Quality and/or its customers while conducting business for First Quality.

Fair Treatment: Third Parties must provide a workplace free of harsh and inhumane treatment, including any sexual, physical, psychological or verbal harassment, corporal punishment, mental or physical coercion and no threats of any such treatment.

Lawful Employment: Third Parties must validate and review all relevant documentation to ensure that an employee has a legal right to work in that jurisdiction but allow employees to maintain control over their identity documents.

Wages, Benefits, & Working Hours: Third Parties must comply with and pay workers according to applicable wage and hour laws, including minimum wages, overtime hours, and mandated benefits.

Freedom of Association: Open communication and direct engagement with workers to resolve workplace and compensation issues is encouraged. Third Parties must respect the rights of workers, as set forth in local laws.

Health and Safety: Third Parties must provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring, at a minimum, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Third Parties must provide appropriate safety equipment and training, and:

- Ensure that employees are not over exposed to chemicals, physical hazards or physically demanding tasks in the workplace.
- Make available applicable safety information to educate, train and protect employees from hazards.
- Have emergency plans and response procedures.

Dormitories and Canteen: Third Parties who provide residential and dining facilities for their employees must provide safe, healthy, and sanitary facilities.

Retaliation: All workers should be encouraged to report in good faith concerns or illegal activities in the workplace, without the threat of reprisal, intimidation or harassment.

Protection of the Environment

First Quality recognizes that environmental responsibility is essential to providing world-class products and service. Third Parties must comply with all applicable environmental regulations (i.e., permits, licenses, information registration, and operational and reporting requirements) and must operate in an environmentally responsible and efficient manner, and minimize adverse impacts on the environment. Third parties are encouraged to conserve natural resources, to avoid the use of hazardous materials where possible and to engage in activities that reuse and recycle.

Conducting Business with First Quality

Legal and Regulatory Compliance Practices

Trade: Third Parties must comply with all applicable trade controls, as well as all applicable export, re-export and import laws and regulations.

Fair Competition: Third Parties must not enter into an arrangement with competitors to fix price, margins, terms and conditions, markets and customers.

Boycotts: Third Parties must not participate in international boycotts that are not sanctioned by the United States (U.S.) government or applicable laws. If you receive a request to participate in any way with an international boycott, or suspect you have received a request, you must notify First Quality immediately.

Anti-Corruption: Third Parties must not tolerate, permit or engage in bribery, embezzlement, extortion, kickbacks or other forms of corruption in dealings with any government official or employee or any individual in the private sector. Third Parties and their officers, directors, employees and agents must engage only in legitimate business and ethical practices in commercial operations; must not directly or indirectly pay, offer, give, promise or authorize payment of anything of value to another party for the purpose or intent to induce that party to use his/her authority to help the Third Party or another party; and must not accept any payment or other benefit as an inducement or reward for any act or forbearance or in connection with any matter or business transacted by or on behalf of First Quality.

Business Practices & Ethics

Business Records: Third Parties must accurately record and report all business information and comply with all applicable laws regarding their completion and accuracy. Business records shall be retained and disposed of in full compliance with all applicable legal and regulatory requirements. All invoices shall accurately describe the product sold or services provided. All shipments will be accompanied by the requisite documentation issued by the proper governmental authorities including, if applicable, disclosure of the country of origin. The invoice shall accurately and completely list all payments, whether direct or indirect, to be made for such product or service, including but not limited to any taxes, commissions or other price adjustments.

Press and Social Media: Third Parties must not speak to the press on behalf of First Quality or with respect to First Quality, unless authorized in writing to do so by First Quality. Such restrictions include, but are not limited to, writing about specific First Quality products or customers.

Gifts, Meals, and Entertainment: Third Parties are prohibited from offering anything of value to obtain or retain a benefit or advantage for the giver, or anything that might appear to influence, compromise judgment, or obligate a First Quality employee. If offering a gift, meal, or entertainment to First Quality employees, use of good judgment, discretion, and moderation must be applied. Any gifts, meals, or entertainment must comply with applicable law, and must not violate either the Third Party's or First Quality's policies on the matter, and must be consistent with local custom and practice.

Conflicts of Interest: A Third Party must avoid the appearance of or actual improprieties or conflicts of interests. Third Parties must not deal directly with any First Quality employee whose spouse, domestic partners, or other family member or relative holds a significant financial interest in the Third Party. In the course of negotiating any agreement with First Quality, or performing obligations for or on behalf of First Quality, dealing directly with the Third Party's personnel's spouse, domestic partner, or other family member or relative employed by First Quality is also prohibited.

<u>Protection of Assets and Intellectual Property</u>

Intellectual Property & Confidentiality: First Quality respects the intellectual property of others therefore Third Party shall not at any time disclose to First Quality nor use in the performance of the services for First Quality any trade secrets, confidential information, know-how, system and application data, or any other information reasonably considered confidential or proprietary to others. Third Parties shall warrant that no product sold to First Quality infringes the intellectual property of any third party. Third Parties are reminded that they shall at all times during and after their relationship with First Quality hold in trust and keep strictly confidential all confidential information of First Quality. Third Parties must comply with the intellectual property ownership rights of First Quality and others including but not limited to copyrights, patents, trademarks, and trade secrets; and manage the transfer of technology and know-how in a manner that protects intellectual property rights.

Information Security Practices: Third Parties must protect and responsibly use the physical and intellectual assets of First Quality, including intellectual property, tangible property, supplies, consumables and equipment, when authorized by First Quality to use such assets, and in accordance with all contractually agreed terms with First Quality.

Third Parties must use First Quality provided information technology and systems (including email) only to the extent authorized by First Quality, and then only for authorized First Quality business-related purposes.

Third Parties must comply with all First Quality requirements and procedures for maintaining and accessing First Quality data and information assets including passwords, confidentiality, security and privacy as a condition of providing First Quality with goods or services or receiving access to the First Quality internal corporate network, systems and buildings. Additionally, Third parties must comply with all First Quality requirements and procedures for safeguarding the confidentiality, integrity and availability of First Quality data and information assets hosted or managed at the Third Party. All data stored or transmitted on First Quality owned or leased equipment is to be considered private and is the property of First Quality. First Quality may monitor all use of the First Quality network and all systems (including email) and may access all data stored or transmitted using the First Quality network.

Security of Company and Personal Data: Third Parties must handle and process data on behalf of First Quality or its customers only for the purposes for which it was collected, received or otherwise made available, in accordance with the directions provided by First Quality, and subject to technical and organizational security measures necessary to safeguard it against loss, alteration, unauthorized disclosure, access or other unlawful forms of processing.

Other Laws

In the event that the requirements of this Code are stricter than applicable local, national or international law, Third Party must comply with this Code. However, if there is any conflict between the requirements of this Code and the requirements of any applicable local, national or international law, Third Party is to comply with the local, national or international law. Third Party must notify First Quality in writing of any such conflicts.

Factory Inspections

First Quality reserves the right to conduct factory inspections to ensure compliance with this Code. Any Third Party who fails an inspection is subject to immediate termination of its business relationship with First Quality.

Reporting Potential Misconduct

Whenever possible, contact your primary First Quality contact with any complaints or concerns regarding questionable behavior or a possible violation of the Third Party Code of Conduct and other matters such as illegal or unethical activity. If necessary, contact the First Quality HelpLine, which provides an alternative channel to communicate concerns confidentially and where permitted by local law, anonymously. The Helpline is operated by an independent third party firm and is available 24 hours a day, 365 days a year and can be accessed via phone or the Internet:

<u>Web-Based Reporting:</u> www.FirstQualityHelpLine.com

<u>From the United States and Canada:</u> Dial 1-855-217-9940

From China: Dial 400-991-4040