



# Supplier Code of Business Conduct and Ethics

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## 1. Definitions

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For the purpose of this Supplier Code of Business Conduct and Ethics policy (the "Code"), reference to "Pres-On" means Pres-On Corporation and/or any of its subsidiaries. "Supplier" means any commercial company, and all of its related personnel such as employees, agents, permitted subcontractors, etc., that are retained by Pres-On to provide goods and/or services, or to engage in other commercial business affairs (including but not limited to, research and/or development, product testing, product development, etc.) and receive payment for such by Pres-On. Excluded from the definition of Supplier are all entities involved in transactions related to land purchases or leases, government agencies, utilities, financial institutions, charitable organizations, and any entity or joint venture partner of Pres-On. Reference to the Code includes any future amendments or updated versions created from time to time by Pres-On.

## 2. Purpose

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This Code governs the conduct of Suppliers when doing business with or on behalf of Pres-On.

## 3. Policy Statement

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Pres-On is committed to ensuring that all working conditions in its business operations are safe, that workers are treated with respect and dignity, and that all work activities are performed in an environmentally responsible manner and in accordance with all local, state and federal environmental, health, safety and social responsibility laws and regulations. Suppliers must, in all of their activities, maintain high ethical standards, act with integrity, trust, respect, honesty and teamwork, and operate in full compliance with applicable laws, rules and regulations of the countries in which they operate.

While this Code deals with major areas of concern, it cannot cover every situation which may arise. Suppliers must exercise their own best judgment and discretion within the parameters of this Code, keeping in mind the high standards expressed in the provisions of this Code and in Pres-On's work, to which Pres-On is committed.

## 4. Workplace Standards and Practices and Compliance with the Law

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Suppliers of products or services produced in or provided from the United States must comply with all applicable federal, state and/or local laws and regulations in every jurisdiction in which the Supplier conducts business with, or on behalf of, Pres-On. Suppliers of products or services produced or provided from outside the United States must comply with applicable laws and regulations of relevant countries. However, regardless of applicable laws and regulations, Suppliers must uphold the human rights of all workers by treating them with dignity and respect. Local laws may in some instances be less restrictive than the guidelines set forth in this Code, and in that case Suppliers must comply with this Code. If local laws are more restrictive than this Code, Suppliers must, at minimum, comply with applicable local laws.

Suppliers are fully responsible for the quality, performance, behavior, supervision and protection of their personnel. In the event that Suppliers provide personnel directly to Pres-On, Pres-On retains the right in its absolute discretion to require the removal of any Supplier personnel from a job site in appropriate circumstances, for example: (a) if there is reasonable cause to believe a person is under the influence of alcohol, drugs or other substances that adversely affect that

person's work or create a safety risk, (b) for commission of an illegal act, (c) for threatening or harassing the public or a Pres-On employee, or otherwise engaging in abusive or disruptive conduct, (d) for violation of a Pres-On policy, or (e) for performing an unsafe act or for giving company reasonable justification to believe that person may imminently perform an unsafe act.

***Non-Discrimination***

Suppliers must judge their personnel based upon their ability to do their jobs and not upon their physical and/or personal characteristics or beliefs, and must not engage in any type of unlawful discrimination based on race, color, gender, religion national origin or sexual orientation.

***No Forced Labor or Human Trafficking***

Pres-On does not tolerate use of forced labor and human trafficking and will not knowingly work with Suppliers who engage in these practices. Suppliers must ensure all workers have the right to engage in work willfully, without surrendering identification and without the payment of fees, and all workers have the right to freedom of movement. Suppliers must also procure their raw materials for products sold to Pres-On solely from sources that do not utilize forced labor or engage in human trafficking.

***No Underage Labor***

Pres-On does not tolerate use of underage labor and will not knowingly work with Suppliers utilizing underage workers. Pres-On defines underage workers as any individual younger than the local minimum working age or the age of 15, whichever is older. Suppliers must also at all times comply with all age-related working restrictions as set by local law and adhere to international standards as defined by the International Labor Organization (ILO) regarding age appropriate work.

***Freedom of Association***

Pres-On seeks to do business with Suppliers who productively engage workers and value them as critical assets to sustainable business success. This includes respecting the rights of workers to make an informed decision as to whether to associate or not with any group, consistent with all applicable laws.

***No Harassment***

Suppliers must treat every employee with respect and dignity and must not subject any employee to physical, sexual, psychological or verbal harassment or abuse.

### ***Wages and Benefits***

Suppliers must compensate their employees fairly and competitively relative to their industry in full compliance with applicable local and national wage and hour laws.

## **5. Health, Safety and Environmental Practices**

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Safety is always Pres-On's first consideration. Suppliers must apply safe work practices (including regulatory and contract specific requirements) and hold high regard for the quality of the environment in its conduct of all activities and exercise good judgment in work decisions. Suppliers must instill health, safety and environmental regard in every aspect of their work processes and in the attitude and behavior of all their personnel.

Adverse effects on the community, environment, and natural resources are to be minimized while safeguarding the health and safety of the public. Suppliers are required to complete all requisite health and safety training, or the equivalent thereof, as required by their industry, the type of work they generally engage in, and/or any Pres-On policies and procedures applicable to the work they perform for Pres-On. By way of example and not limitation, Suppliers performing work on Pres-On's property or on Pres-On's behalf must in relation to the work they're performing:

1. Obtain and keep current all required environmental permits and registrations;
2. Reduce, control and/or eliminate wastewater, waste and pollution at the source;
3. Reduce, control and/or eliminate air emissions of volatile chemicals, corrosives, particulates, aerosols and combustion products;
4. Conform to applicable labeling and warning requirements;
5. Timely report unsafe working conditions;
6. Recycle as appropriate; and
7. Identify, manage, store, move and handle hazardous substances in accordance with law.

### ***No Alcohol or Drug Use***

Suppliers must not report to work or engage in any work for or on behalf of Pres-On, or in any fashion represent, or make any representations on behalf of Pres-On, while under the influence of illegal drugs or alcohol. In addition, Suppliers may not possess illegal drugs or controlled substances while on Pres-On's premises or while conducting business with or for Pres-On. This prohibition does not include legally obtained medications used as directed by a licensed medical practitioner that do not create a safety risk (e.g., impairment while on Pres-On premises, operating Pres-On vehicles, operating Pres-On machinery, etc.).

## 6. Business Ethics

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Suppliers must be committed to the highest standards of ethical conduct when dealing with workers, suppliers, government and regulatory authorities and Pres-On. Any and all forms of illegal or inappropriate activity, including but not limited to, corruption, misrepresentation, extortion, embezzlement or bribery, are strictly prohibited and may result in termination of any or all agreements with Pres-On and possible legal action. Records prepared for Pres-On, including records of work time and expenses, must be accurate, truthful and complete, and must meet applicable standards and requirements. Most countries around the world have laws that prohibit making payments or giving anything of value to improperly influence government officials. Suppliers must comply with all applicable anticorruption laws, including, but not limited to, the U.S. Foreign Corrupt Practices Act of 1977, as amended, which prohibits offering, promising, paying or providing, or authorizing the payment or providing of anything of value, directly or indirectly, to a foreign government official to improperly influence the recipient to misuse his or her official position for the purpose of obtaining or retaining business for or with, or directing business to, any person, or obtaining any improper business advantage. Additionally, if a Supplier hires a third party to work on a project that requires interaction with a government official on behalf of Pres-On, the Supplier must closely monitor the actions of the third party to ensure compliance with anti-corruption laws. For more information, see the U.S. Foreign Corrupt Practices Act.

Suppliers must deal fairly with Pres-On and its employees, directors, officers and external advisers. Suppliers must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice, and must uphold fair business standards in advertising, sales and competition. Suppliers must act in a fair, impartial manner and should avoid both real and perceived conflicts of interest in the business they conduct with or on behalf of Pres-On.

Suppliers must disclose information regarding their business activities, structure, financial situation, and performance in accordance with applicable law and prevailing industry practices.

## 7. Gifts and Gratuities

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Gifts, entertainment, travel, per diem reimbursements, or any other form of gratuity may not be given or received by Supplier as a reward, encouragement or improper influence for preferential treatment. If Suppliers wish to give or receive modest gifts and/or entertainment, to or from Pres-On or any of its employees, such act is subject to pre-approval by Pres-On's management, provided that the giving and/or receiving of gifts will in all cases be restricted when it is, or can be perceived to be, part of any actual or anticipated bidding/tendering process.

## 8. Proper Use of Pres-On Assets and Information

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Suppliers must protect and conserve any Pres-On resources made available by Pres-On and must use them only for purposes authorized by Pres-On. Pres-On resources include tangible items, such as vehicles, equipment, facilities, consumables and computer and communication systems, as well as intangible items such as Pres-On's good name and reputation, employee productivity and sensitive information, and all such resources are valuable assets to Pres-On.

Suppliers must respect and not infringe the intellectual property ownership rights of Pres-On and others, including, but not limited to, proprietary information, copyrights, patents, trademarks and trade secrets.

Suppliers agreeing to this Code must also agree to Pres-On's Non-Disclosure Agreement ("NDA") found on Pres-On's website ([www.preson.com](http://www.preson.com)), at the bottom of the "Supplier Information" page under "Downloads" and must protect Pres-On's confidential information in accordance with the NDA, and must not divulge, dispose of inappropriately or copy (without Pres-On's express consent) any Pres-On information that a prudent business person would consider sensitive or which is designated as sensitive, proprietary or confidential, whether delivered or granted access to in oral, written, electronic or visual form and whether or not marked as "confidential." Such information includes, but is not limited to, strategic, personal, financial or unpatented technology information. These confidentiality obligations are meant to serve as clarification to the terms of the NDA, and Suppliers must comply with these terms in the broadest sense. Suppliers must not use or allow the use of such information for securities transactions or any improper benefit or gain. Suppliers must not purport to make any announcements or release any information about Pres-On on behalf of Pres-On, or on behalf of any member of the public, press, official body, business entity or other person, nor may Supplier claim or imply any endorsement by Pres-On or Pres-On's employees, without the express prior written consent of Pres-On.

Except as required by any applicable law, or otherwise permitted by Pres-On's prior written consent, Suppliers are not permitted to use Pres-On's name, logo or trademarks or to make any public announcements or disclosures in relation to the subject matter of their contract or their dealings with Pres-On or any of Pres-On's employees.

## 9. Accuracy of Business Records

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Suppliers must make and keep books and records that accurately and fairly reflect Supplier's transactions and dispositions with Pres-On, and must devise and maintain an adequate system of internal accounting controls. Suppliers must comply with all record keeping and retention related rules, regulations, and laws, including the Foreign Corrupt Practices Act. Suppliers must record and report facts accurately, honestly and objectively. Suppliers must not hide, fail to record, or make false entries related to any material and pertinent facts or information related to its business and possibly subject to or referenced in any government laws, rules, mandates, etc. All financial books and records must conform to generally accepted accounting principles.

## 10. Subcontractors

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Suppliers must not use subcontractors in the performance of work for Pres-On without Pres-On's prior written approval, and after such approval that subcontractor must agree to and comply with this Code before performing work for Pres-On. Suppliers must ensure that any approved subcontractor maintains ethical business practices that comply with this Code and any other applicable Pres-On standards and practices.

## 11. Audits and Inspections

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Verification of Supplier's compliance is subject to audits by Pres-On or a third party designated by or otherwise acceptable to Pres-On. Failure of Suppliers to comply, or failure by Suppliers to work with Pres-On or a third party engaged by Pres-On, to correct non-complying situations is grounds for cancellation of open orders, discontinued services or termination of the business relationship.

## 12. Penalties for Non-Compliance

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Pres-On reserves the right to terminate its business relationship with any Supplier who violates this Code. Pres-On reserves the right to terminate its business relationship with Suppliers who fail to provide written confirmation to Pres-On, upon request by Pres-On, that they have a

program in place to monitor their suppliers and subcontractors for compliance with this Code. Pres-On reserves the right to require Suppliers to certify and acknowledge understanding of, and compliance with, this Code, as frequently as Pres-On may determine in its sole discretion.

### 13. Relationship Between Pres-On and Supplier

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This Code does not confer, nor shall it be interpreted, construed or deemed to confer, any rights on the part of third parties, including any third party beneficiary rights. For example, no employees of any Supplier shall have any rights with Pres-On by virtue of this Code, nor shall such employees have any rights to cause Pres-On to enforce any provisions of this Code, the decision with respect to any such actions being reserved by Pres-On in its sole discretion.

### 14. Conclusion

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We thank our Suppliers for compliance with this important Code and look forward to a mutually beneficial relationship with all of our Suppliers based on the highest levels of ethical behavior.