



TWI Supplier Code of Business & Ethics Conduct (COBEC)

April 2016

All suppliers must agree to abide by our Code of Business & Ethics Conduct (COBEC) or demonstrate adherence to their own similar code of ethics in order to retain a business relationship with TWI.



Introduction to the TWI Code of Business Ethics & Conduct (COBEC)

TWI's policy is to conduct our business in accordance with applicable laws, rules and regulations, with honesty and integrity, in a manner which demonstrates respect for local cultural and ethnic customs, and with a strong commitment to the highest standards of ethics. TWI demands high standards of integrity and sound ethical judgment from company personnel, strategic business partners and subcontractors/suppliers at all times.

This COBEC does not cover every issue that may arise, but it sets out basic principles to guide all in business transactions. TWI policies apply to various TWI operations and you need to know and follow those policies which specifically apply to your work activities.

The TWI COBEC sets forth specific policies governing the conduct of the business for TWI personnel and its suppliers, agents, and representatives. These policies were developed and are intended to be applied in good faith with reasonable business judgment to enable TWI to achieve its operating and financial goals within the framework of the law and consistent ethical conduct.

It is the personal responsibility of each employee, supplier, and agent of TWI to adhere to the standards and restrictions, whether imposed by law or the Code of Business Ethics & Conduct. Any employee, supplier, or agent who does not adhere to such standards and restrictions is acting outside the scope of his or her employment or agency.

If a law conflicts with a policy in this COBEC, you must comply with the law. However, if a local *custom or policy* conflicts with this TWI COBEC, you must comply with the COBEC. If you have any questions about these conflicts, you are to refer questions to the TWI Compliance and Ethics Officer (Jay Scoggin), jay.scoggin@twipv.com or at reportit@twipv.com.

Observance of Laws and TWI Policy

Obeying the law, both in letter and in spirit, is the foundation on which TWI's ethical standards are built. Each employee, supplier, and agent of TWI must respect and obey the laws, rules and regulations of the cities, states, and countries in which we operate. Although employees, suppliers, and agents are not expected to know the details of each of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers, or other appropriate personnel.

TWI specifically follows the **U.S. Foreign Corrupt Practices Act of 1977 (FCPA) and UK Bribery Act**. The anti-bribery provisions of the FCPA "prohibit the willful use of the mails or any means of commerce corruptly in furtherance of any offer, payment, promise to pay, or authorization of the payment of money or anything of value to any person, while knowing that all or a portion of such money or thing of value will be offered, given or promised, directly or indirectly, to a foreign official to influence the foreign official in his or her official capacity, induce the foreign official to do or omit to do an act in violation of his or her lawful duty, or to secure any improper advantage in order to assist in obtaining or retaining business for or with, or directing business to, any person."

The scope of the UK Bribery Act is wider than that of the FCPA in three major respects. First, in contrast to the FCPA which applies only to the corruption of foreign officials, the Bribery Act catches bribes offered or given to any person. Secondly, although the Bribery Act contains an offense of bribing a foreign public official, this offense does not (unlike the FCPA) require a corrupt intent on the part of the briber. Lastly it is an offense under the UK Act to request, to agree to receive, or to accept a bribe. The FCPA, on the other hand, applies only to persons giving or offering a bribe and not to those accepting one.

It is the policy of TWI that no employee, supplier, or agent of TWI shall participate, directly or through other parties, in sensitive transactions, either on behalf of TWI or as an individual director, officer, or employee of TWI. Sensitive transactions include (but are not limited to):

- Offering or receiving payments from government officials or employees
- Illegal payments involving rebates or refunds
- Illegal political contributions
- Any other payments made or received for the purpose of influencing business awards.
- Commercial bribes or kickbacks



Furthermore, in accordance with the provisions of the U.S. Anti-Kickback Act, any employee, agent, or supplier shall not offer and TWI personnel shall not solicit or accept any money, fee commission, credit, gift, gratuity, items of value, or compensation of any kind which is provided for the purpose of obtaining or as a reward for favorable treatment in connection with a procurement agreement relating to a contract.

Procurement Responsibility

TWI employees must hold themselves to the highest possible ethical standards when conducting procurement actions. We also expect suppliers and agents to hold themselves to the highest ethical standards and have included some of the standards and guidance provided to TWI employees for your situational awareness below:

- Avoid the intent and appearance of improper, unethical, or compromising practice in relationships, actions, and communications.
- Demonstrate loyalty to the employer by diligently following the lawful instructions of the employer, using reasonable care, and only authority granted.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the employer.
- Do not solicit or accept money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favors, or services from present or potential suppliers that might influence or appear to influence purchasing decisions.
- Handle confidential or proprietary information belonging to employers or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Refrain from discussing reciprocal agreements that restrict competition.
- Know and obey the letter and spirit of laws governing the procurement and logistics functions and remain alert to the legal ramifications of commercial decisions.
- Discourage purchasing's involvement in supplier sponsored programs that are not business related.
- Conduct international purchasing in accordance with the laws, customs, and practices of foreign countries, consistent with United States laws, your organization policies, and these Ethical Standards and Guidelines.

TWI employees are prohibited from acceptance of entertainment, gifts (including gifts during holiday seasons except those of non-monetary value such as food or company pens, mugs, etc.), gratuity, or hospitality of any sort or value from a prospective or existing supplier or agent. Suppliers and agents are strictly required to abide by this clause when dealing with TWI personnel.

Conflicts of Interest

It is the practice of TWI to identify and avoid or mitigate conflicts of interest (COI). As TWI employees, we hold ourselves to these ethical standards and in turn expect subcontractors, suppliers and agents to do likewise.

The primary principle underlying the Conflict of Interest Policy is that employees must never permit their personal interests to conflict, or appear to conflict, with the interest of TWI or its customers. Any employee, consultant, agent, and supplier must be free from any personal relationships, activities, or financial affairs that may influence any business decisions or recommendations you make that affect TWI.

The term "Organizational Conflicts" of Interest (OCI) means that a relationship or situation exists whereby a bidder or supplier (including chief executives and directors, to the extent they are involved in the performance of the subcontracts) has past, present, or currently planned interests that either directly or indirectly (through a client, contractual, financial, organizational or other relationship) relate to the work to be performed under a government contract or TWI subcontract and which may diminish its capacity to give impartial, technically sound, objective assistance and advice, or may result in its being given an unfair competitive advantage. An unfair competitive advantage does not include the normal flow of benefits from the performance of the procurement agreement.



Managers, contract administrators, and procurement personnel analyze planned acquisitions to identify and evaluate potential organizational conflicts of interest of TWI and its potential suppliers as early in the procurement process as possible to avoid, neutralize, or mitigate significant potential conflicts before subcontract award.

To help determine whether an organizational conflict of interest exists, procurement personnel consider these two questions:

- Are there conflicting roles which might bias a supplier's judgment in relation to its work for TWI and its clients?
- Is the supplier being given an unfair competitive advantage based on the performance of the subcontract?

TWI senior management shall have the final authority in determining the OCI. If a conflict does exist, procurement personnel may take one of the following actions in coordination with TWI senior management:

- Permit the award of the procurement agreement if senior management determines that despite the conflict, the award is in the best interest of TWI
- Mitigate the conflicts by requiring inclusion of appropriate conditions in the procurement agreement
- Disqualify the supplier from award

Truth in Negotiations Act

In accordance with the provisions of the U.S. Truth in Negotiations Act, supplier consultant, agent, and TWI procurement personnel certify that pricing data obtained is current, accurate, and complete.

Price Fixing and Bidding

Supplier, consultant, agent, and TWI procurement personnel assume that agreements, understandings, or concerted actions of price fixing (or to accomplish uniformity of prices or offers, or to facilitate or to result in the rotation, allocation, or other scheduling of offering or refraining from offering) are illegal, regardless of motivation, whether written or unwritten, and whether the price or prices are published, internal, or presented in sealed bids. Any effort to inhibit competition through price fixing is a violation of U.S. Antitrust and Competition Law.

Dividing or Sharing of Markets

Any agreement, understanding, or concerted action to allocate customers or to allocate, share, or restrict sales or marketing territories shall be avoided.

Restrictions on Supply or Production

Any agreement, understanding, or concerted action with others to limit or reduce the available supply of products or production is illegal, regardless of the state of the marketplace.

Unfair Trade Practices

Section 5 (A) of U.S. Federal Trade Commission Act constitutes a catch-all provision which declares as unlawful "unfair methods of competition....and unfair or deceptive acts or practices....more specifically, any misrepresentation, false and misleading advertising, or other business conduct that is unfair or deceptive is unlawful."

Contingent Fee

A contingent fee means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person has in securing a government contract. TWI personnel shall not receive or pay a contingent fee.



TIPS (Trafficking in Persons)

The United Nations defines trafficking as the recruitment, transport, transfer, or harboring/receipt of persons by means of threat, force, coercion, abduction, fraud, deception, abuse, or exploitation. The U.S. Government and TWI have a zero tolerance for TIPS.

Reporting Questionable Practices

All TWI suppliers or clients are obligated to report any practice or proposed practice that appears questionable in light of any of the above specified areas. As a trusted industry supplier, we expect you to report questionable practices or suspected violations immediately to the attention of the TWI Senior Director of Procurement (Boban Simonovski) via email:

boban.simonovski@twipv.com or reportit@twipv.com

Please acknowledge your receipt and complete understanding of TWI’s Supplier COBEC with authorized signatory initials on all pages of the document along with complete signature and company seal below:

Printed Company Name and Address:

Authorized Signatory Name (Printed):

Signature of Authorized Company Official:

Dated: