

DISTRIBUTOR CODE OF CONDUCT

Updated November 1, 2019

Introduction

Corporate integrity, responsible product sourcing, and the safety and wellbeing of workers across the global supply chain are of paramount importance to Supplier. These principles apply to all aspects of Supplier's business, and encompass all manufacturers, distributors, vendors, and other suppliers (each a "**Distributor**" and collectively "**Distributors**") that supply the products that Supplier sells. These principles are reflected in this Code of Conduct ("**Code of Conduct**"), which establishes the minimum standards that must be met by any Distributor that sells goods to or does business with Supplier, regarding:

- Distributor's treatment of workers;
- workplace safety;
- the impact of Distributor's activities on the environment; and
- Distributor's ethical business practices.

Applicability

This Code of Conduct applies to all Distributors that distribute Supplier's Products. Distributor is responsible for compliance with the standards set out in this Code of Conduct ("**Standards**") throughout its operations and throughout its entire supply chain.

Without limiting Distributor's obligations hereunder, Distributor shall comply with the Standards in:

- all of its Facilities; and
- all of its operations, including with respect to manufacturing, distribution, packaging, sales, marketing, product safety and certification, intellectual property, labor, immigration, health, worker safety, and the environment.

Without limiting Distributor's obligations hereunder, Distributor is responsible for compliance with the Standards by all of its Distributors, vendors, agents, and subcontractors and their respective Facilities ("**Partner(s)**").

Slavery and Human Trafficking

All labor must be voluntary. Distributor shall not support or engage in slavery or human trafficking in any part of its supply chain.

Without limiting Distributor's obligations hereunder, Distributor shall not, and shall ensure that its Partners do not, support or engage in, or require any:

- compelled, involuntary, or forced labor;
- labor to be performed by children;
- bonded labor;
- indentured labor; and
- prison labor.

Compliance and Documentation

Distributor shall:

- Implement and maintain a reliable system to verify the eligibility of all workers, including:
 - age eligibility; and
 - legal status of foreign workers.
- Implement and maintain a reliable recordkeeping system regarding the eligibility of all workers.

Hazardous Work

Without limiting Distributor's obligations hereunder, Distributor shall not, and shall ensure that its Partners do not, support or engage in, or require any hazardous labor to be performed by any person under the age of 18. Hazardous labor involves any work that by its nature or the circumstances in which the work is undertaken, involves the substantial risk of harm to the safety or health of the worker or coworkers if adequate protections are not taken.

Identification Papers

Without limiting Distributor's obligations hereunder, Distributor shall not require any worker to surrender control over original:

- identification papers or documents giving a foreign worker the right to work in the country;
- identification papers or documents, such as a passport, giving a foreign worker the right to enter or leave the country; or
- documents, such as a birth certificate, evidencing the worker's age.

Financial Obligations

Without limiting Distributor's obligations hereunder, Distributor shall not, whether or not as a condition to the right to work, require any worker (or worker's spouse or family member) to, directly or indirectly:

- pay recruitment or other fees or other amounts (monetary or in-kind);
- incur debt.
- make financial guarantees; or
- incur any other financial obligation.

Freedom of Movement

Without limiting Distributor's obligations hereunder, Distributor shall ensure that workers have the right to freedom of movement without:

- delay or hindrance; or
- the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.

Worker freedom of movement rights include each worker's right to leave the Facilities without retaliation:

- at the end of each workday;
- based on reasonable health and safety-related justifications; and
- based on any reasonable circumstances, such as personal or family emergencies.

Freedom to Terminate Employment

Without limiting Distributor's obligations hereunder, Distributor shall allow workers to terminate their employment or work arrangement:

- without restriction; and
- without the threat or imposition of any discipline, penalty, retaliation, or fine or other monetary obligation.

Compensation and Benefits

Distributor must compensate all workers with wages, including overtime premiums, and benefits that at a minimum meet the higher of:

- the minimum wage and benefits established by applicable law;
- collective agreements;
- industry standards; and
- an amount sufficient to cover basic living requirements.

Documentation

Distributor shall:

- provide proof of payment to workers in the workers' native language showing hours worked, wage amounts and rates (regular, overtime, and bonus), and deductions;
- ensure that proof of payment is accurate, is clearly calculated, and enables workers to quickly verify the amount of payment and method of calculation; and
- maintain proper documentation of wage payments for their internal records.

Deductions

Distributor shall not make any deductions from wages, except income tax withholding and those that are legally allowed.

No Discrimination, Abuse, or Harassment

Distributor shall not discriminate in hiring, compensation, training, advancement or promotion, termination, retirement, or any other employment practice based on race, color, national origin, gender, gender identity, sexual orientation, military status, religion, age, marital or pregnancy status, disability, or any other characteristic other than the worker's ability to perform the job.

Distributor shall treat workers with respect and dignity.

Distributor shall not subject workers to corporal punishment, or physical, verbal, sexual, or psychological abuse or harassment. Distributor must not condone or tolerate such behavior by its Partners.

Health and Safety

Distributor shall provide a safe, healthy, and sanitary working environment. Distributor shall implement procedures and safeguards to prevent workplace hazards, and work-related accidents and injuries, including procedures and safeguards to prevent industry-specific workplace hazards, and work-related accidents and injuries, that are not specifically addressed in these Standards.

General and industry-specific procedures and safeguards include those relating to:

- health and safety inspections;
- equipment maintenance;
- maintenance of Facilities;
- worker training covering the hazards typically encountered in their scope of work;
- fire prevention; and
- documentation and recordkeeping.

Distributor shall provide workers adequate and appropriate personal protective equipment to protect workers against hazards typically encountered in the scope of work.

Facilities

Distributor shall:

- ensure that all Facilities meet all applicable building codes and industry design and construction standards;
- obtain and maintain all construction approvals required by law;
- obtain and maintain all zoning and use permits required by law;
- without limiting Distributor's obligations hereunder, ensure that all Facilities have:
 - an adequate evacuation plan;
 - adequate, well-lit (including emergency lighting), clearly marked, and unobstructed emergency exit routes, including exits doors, aisles, and fire-rated enclosed stairwells;
 - a sufficient number of emergency exit doors, which are located on all sides of each building, are unlocked (from the inside), and are readily opened from the occupied side and swing in the direction of emergency travel;
 - visible and accurate evacuation maps posted in the local language, and including a "you are here" mark;
 - adequate ventilation and air circulation;
 - adequate lighting;
 - adequate first aid kits and stations;
 - adequate fire safety, prevention, alarm, and suppression systems;
 - adequate access to potable water; and
 - adequate access to private toilet facilities.
- Post safety rules, inspection results, incident reports, and permits, in each case, as required by law.

If Distributor provides dining facilities for its workers, it shall provide safe, healthy, and sanitary facilities (including food preparation and storage areas) that comply with all the Standards set out in the Health and Safety section of this Code of Conduct. Without limiting Distributor's obligations hereunder, Distributor shall obtain and maintain all food preparation permits and health certificates required by law.

Freedom of Association and Collective Bargaining

Distributor shall respect, and shall not interfere with, the right of workers to decide whether to lawfully associate with groups of their choice, including the right to form or join trade unions and to engage in collective bargaining.

Without limiting Distributor's obligations set out above, Distributor shall not:

- take any action to prevent or suppress the workers' exercise of freedom of association or collective bargaining rights;
- discriminate or retaliate against, or discipline or punish, any worker who supports or exercises freedom of association or collective bargaining rights;
- discriminate or retaliate against, or discipline or punish, any worker who raises collective bargaining compliance issues; or
- discriminate or retaliate against, or discipline or punish, any worker based on union membership or the worker's decision to join or not join a union.

Environmental Protection

Operation of Distributor's Facilities

Distributor shall operate its Facilities in compliance with all environmental laws, including laws and international treaties relating to:

- waste disposal;
- emissions;
- discharges; and
- hazardous and toxic material handling.

Inputs and Components

Distributor must ensure that the goods that it manufactures (including the inputs and components that it incorporates into its goods) comply with all environmental laws and treaties. Distributor must ensure that it will only use packaging materials that comply with all environmental laws and treaties.

Gifts and Entertainment

Distributor must maintain the highest ethical standards. Distributor must not offer cash, favors, gifts, or entertainment to Supplier's team members. Distributor shall also comply with Supplier's Foreign Corrupt Practices Act (FCPA) policy.

Report Violations

Distributor shall self-report any violations of the Code of Conduct. Distributor can also submit questions and comments regarding the Code of Conduct, to Supplier as set out in Clause 28 of the Distribution Agreement, c/o the CEO.

Distributor shall not retaliate or take disciplinary action against any worker who has, in good faith, reported violations or questionable behavior, or who has sought advice regarding this Code of Conduct.

Compliance with Laws

Distributor shall comply with all applicable national and local laws and regulations, including laws and regulations relating to all the Standards. Where this Code of Conduct requires Distributor to meet a higher standard than set out by law or regulation, Distributor shall meet such higher standards. Distributor acknowledges that these Standards set out audit standards that Supplier may use to determine whether Distributor is meeting the requirements set out in this Code of Conduct. Distributor acknowledges that Supplier may in its discretion conduct inspections of the Facilities to confirm Distributor's compliance with this Code of Conduct. Supplier has no obligation to conduct inspections.

Termination

Supplier may immediately terminate its business relationship (including any purchase order(s) and purchase contracts) with Distributor if Distributor or its Partners fail to meet the Standards.

Foreign Corrupt Practices Act Policy

Updated November 1, 2019

1. Introduction.

Combating Corruption. FINETOUGH LABORATORIES, INC. ("Company") operates in a wide range of legal and business environments, many of which pose challenges to our ability to conduct our business operations with integrity. As a company, we strive to conduct ourselves according to the highest standards of ethical conduct. Throughout its operations, the Supplier seeks to avoid even the appearance of impropriety in the actions of its directors, officers, employees, and agents.

Accordingly, this Anti-Corruption Policy ("Policy") reiterates our commitment to integrity, and explains the specific requirements and prohibitions applicable to our operations under anti-corruption laws, including, but not limited to, the US Foreign Corrupt Practices Act of 1977 ("FCPA"). This Policy contains information intended to reduce the risk of corruption and bribery from occurring in the Supplier's activities. The Supplier strictly prohibits all forms of corruption and bribery and will take all necessary steps to ensure that corruption and bribery do not occur in its business activities.

Under the FCPA, it is illegal for US persons, including US companies or any companies traded on US exchanges, and their subsidiaries, directors, officers, employees, and agents, to bribe non-US government officials. The concept of prohibiting bribery is simple. However, understanding the full scope of the FCPA is essential as this law directly affects everyday business interactions between the Supplier and non-US governments and government-owned or government-controlled entities.

Violations of the FCPA can also result in violations of other US laws, including anti-money laundering, mail and wire fraud, and conspiracy laws. The penalties for violating the FCPA are severe. In addition to being subject to the Supplier's disciplinary policies (including termination), individuals who violate the FCPA may also be subject to imprisonment and fines.

Aside from the FCPA, the Supplier may also be subject to other non-US anti-corruption laws, in addition to the local laws of the countries in which the Supplier conducts business. This Policy generally sets forth the expectations and requirements for compliance with those laws.

Applicability. This Policy is applicable to all of the Supplier's operations worldwide. This Policy applies to all of the Supplier's directors, officers, and employees. This Policy also applies to the Supplier's distributors, re-Suppliers, agents, consultants, joint venture partners, and any other third-party representatives that, on behalf of the Supplier, have conducted business outside of the US or interacted with non-US government officials or are likely to conduct business outside of the US or interact with non-US government officials.

2. Prohibited Payments.

Supplier's distributors are prohibited from directly or indirectly making, promising, authorizing, or offering anything of value to a non-US government official on behalf of the Supplier to secure an improper advantage, obtain or retain business, or direct business to any other person or entity. This prohibition includes payments to third-parties where the distributor or agent knows, or has reason to know, that the third-party will use any part of the payment for bribes.

(a) Cash and Non-Cash Payments: "Anything of Value." Payments that violate the FCPA may arise in a variety of settings and include a broad range of payments beyond the obvious cash bribe or kickback. The FCPA prohibits giving "anything of value" for an improper purpose. This term is very broad and can include, for example:

- (i) Gifts.
- (ii) Travel, meals, lodging, entertainment, or gift cards.
- (iii) Loans or non-arm's length transactions.
- (iv) Charitable or political donations.
- (v) Business, employment, or investment opportunities.

(b) Non-US Government Official. The FCPA broadly defines the term non-US government official to include:

- (i) Officers or employees of a non-US government or any department, agency, or instrumentality thereof.
- (ii) Officers or employees of a company or business owned in whole or in part by a non-US government (a state owned or controlled enterprises).
- (iii) Officers or employees of a public international organization (such as the United Nations, World Bank, or the European Union).

(iv) Non-US political parties or officials thereof.

(v) Candidates for non-US political office.

This term also includes anyone acting on behalf of any of the above.

On occasion, a non-US government official may attempt to solicit or extort improper payments or anything of value from Supplier employees or agents. Such employees or agents must inform the non-US government official that the Supplier does not engage in such conduct and immediately contact Supplier's CEO.

(c) Commercial Bribery. Bribery involving commercial (non-governmental parties) is also prohibited under this Policy. To this end, Supplier distributors, re-Suppliers, employees, and agents shall not offer, promise, authorize the payment of, or pay or provide anything of value to any employee, agent, or representative of another company to induce or reward the improper performance of any function or any business-related activity. Supplier distributors, re-Suppliers, employees, and agents also shall not request, agree to receive, or accept anything of value from any distributor, supplier, employee, agent, or representative of another company or entity as an inducement or reward for the improper performance of any function or business-related activity.

3. Permitted Payments.

The FCPA does not prohibit all payments to non-US government officials. In general, the FCPA permits three categories of payments:

(a) Facilitating Payments. The FCPA includes an exception for nominal payments made to low-level government officials to ensure or speed the proper performance of a government official's routine, non-discretionary duties or actions, such as:

- (i) Clearing customs.
- (ii) Processing governmental papers such as visas, permits, or licenses.
- (iii) Providing police protection.
- (iv) Providing mail, telephone, or utility services.

(b) Promotional Hospitality and Marketing Expenses or Pursuant to a Contract. The Supplier or distributor may pay for the reasonable cost of a non-US government official's meals, lodging, or travel if, and only if, the expenses are bona fide, reasonable, and directly related to the promotion, demonstration, or explanation of Supplier or distributor's products or services, or the execution of a contract with a non-US government or agency.

(c) Promotional Gifts. Promotional gifts of nominal value may be given to a non-US government official as a courtesy in recognition of services rendered or to promote goodwill. These gifts must be nominal in value and should generally bear the trademark of the Supplier or distributor or one of its products.

4. Political and Charitable Contributions.

Contributions to candidates for non-US political office, on behalf of the Supplier, are prohibited unless the Supplier's CEO pre-approves them in writing. Charitable contributions to non-US charities, on behalf of the Supplier, must also be pre-approved in writing by the Supplier's CEO.

5. Representatives.

All third-party Supplier representatives and distributors must fully comply with the FCPA and all other applicable laws.

6. Compliance.

Distributors, Supplier's employees and agents must be familiar with and perform their duties according to the requirements set out in this Policy. Distributors, employees or agents who violate this Policy are subject to disciplinary action, up to and including dismissal. Distributors who violate this Policy may be subject to termination of all commercial relationships with the Company.

7. Duty to Cooperate.

The Supplier may at times undertake a more detailed review of certain transactions. As part of these reviews, the Supplier requires all distributors, re-Suppliers, employees, agents, and third-party representatives to cooperate with the Supplier, outside legal counsel, outside auditors, or other similar parties. The Supplier views failure to cooperate in an internal review as a breach of your obligations to the Supplier, and will deal with this failure severely in accordance with any local laws or regulations.