International Trade Compliance Policy

Purpose

To set forth the Company's policy for conducting its global business in compliance with all applicable trade laws and regulations.

Scope

This Policy applies to McWane, Inc. and its divisions and subsidiaries ("McWane" or "Company"); to all officers, directors, managers, supervisors and team members of McWane, regardless of nationality; and to all agents and third parties working on McWane's behalf, including consultants, suppliers and business partners, regardless of nationality (referred to in this Policy as a "Party" or the "Parties").

This Policy supersedes and replaces prior versions of Company's International Trade Compliance Manual and Policies. However, this Policy supplements, but does not replace, McWane's overall Code of Ethical Conduct in the Workplace (the "Code of Conduct") and other McWane policies that touch on issues of bribery and corruption, including but not limited to the Global Anti-corruption, Company Gifts, Travel and Hospitality Policy and Policy on Political Contributions and Political Activities of Foreign National Team Members, and should be read in conjunction with these policies.

Policy Statement

McWane is committed to the highest level of ethical behavior and compliance with the law. As such, the Company expects that all team members and business partners will operate with integrity, adhere to the "McWane Way," and conduct themselves in accordance with all applicable foreign and domestic laws and regulations relating to international trade. Simply put: McWane will always do the right thing and is committed to the enforcement of this policy.

1. ESTABLISHMENT OF INTERNATIONAL TRADE POLICY

1.1 Administration of the Policy. Senior McWane management, in particular the Corporate International Trade Compliance function (the "ITC Manager"), are responsible for enforcing compliance with this Policy and ensuring that all Parties are aware of this Policy and the need for compliance. This goal is to be accomplished by regular compliance monitoring, risk assessments, audits, and training.

To ensure compliance with all applicable international trade laws and requirements, senior management in charge of each division and subsidiary is required to assign an international trade compliance team led by an International Trade Compliance Coordinator ("ITC Coordinator" that will be responsible for tasks, functions, duties, or responsibilities that implicate international trade (the "ITC Team").

McWane provides all employees responsible for international trade compliance with access to a copy of this Policy.

1.2 Enforcement of the Policy. All Parties have a duty to understand and comply with this Policy. Each General Manager and ITC Coordinator must educate themselves about the Policy, seek clarification as needed, attend required international trade training and execute periodic certifications of Policy compliance. Employees having information or knowledge of any conduct inconsistent with this Policy must promptly report (anonymously

if the employee wishes) such information using the reporting mechanisms set out in the Code of Conduct. While information relating to international trade matters should be reported to the applicable ITC Coordinator or the ITC Manager, information and questions relating to applicable laws and regulations should be reported directly to the Legal Department. Parties wishing to engage in transactions or activities that might affect this Policy should contact either the applicable ITC Coordinator, the ITC Manager and/or the Legal Department, as appropriate, before engaging in the transaction or activity. McWane will not permit retaliation of any kind against a Party who in good faith reports suspected misconduct or seeks guidance regarding a proposed transaction.

1.3 Penalties. Violations of this Policy can result in criminal, civil and administrative penalties (including imprisonment, fines and the loss of government contracting rights) for McWane and/or any McWane officer, director, manager, team member or agent involved in the violation. **In addition to any penalty imposed by law, violations of this Policy will result in disciplinary action, up to and including termination of employment or business relationship**.

2. STRUCTURE AND RESPONSIBILITIES

2.1 ITC Manual and Resources. There is no single set of laws or regulations that spell out the precise requirements to follow when complying with international trade laws and regulations. Instead, multiple domestic and foreign laws and a variety of agencies—each with their own regulations—govern the import and export of goods in international trade. With the goal of facilitating full compliance with all such laws and regulations, McWane has developed the ITC Manual and additional resources that are intended to facilitate an understanding of these laws and regulations and aid employees in complying with applicable laws and regulations; however, this Policy and the ITC Manual are not intended to be a substitute for applicable laws and regulations. The ITC Manual and additional resources and training materials are accessible via the International Trade Compliance SharePoint site.

2.2 Responsible Officers.

Corporate International Trade Compliance

Responsible for the International Trade Compliance Program (the "Program"), including updating and maintaining the Policy, the ITC Manual and monitoring the effectiveness of the Program. The Corporate International Trade Compliance function will:

- Establish general guidelines regarding compliance responsibilities for McWane as a whole.
- Oversee any import or export compliance issues that arise.
- Oversee the coordination of official McWane responses to Government inquiries or requests for information.
- Provide guidance and advice on export & import policies and McWane compliance processes and procedures.
- Manage submission and tracking of any export license applications.
- Monitor the laws and regulations affecting import & export compliance.
- Assist in addressing instances of suspected non-compliance and with internal assessments as required.
- Oversee the ITC Coordinators and support their implementation of processes and procedures in compliance with this policy.

General Manager - Division Level

Each General Manager will:

- Ensure all employees comply with this Policy, the Program and all related policies and procedures.
- Identify the individuals with International Trade responsibilities and the members of the ITC Team.
- Establish division processes and procedures in accordance with this Policy and the Program, including, without limitation, processes and procedures for conducting "Restricted-Party Screening" on all individuals or entities with which we do business and processes and procedures for conducting "End-User/End-Use" Questionnaires; and
- Have the authority to stop any transaction at division level before any potential violation occurs.

International Trade Compliance Coordinator (ITC Coordinator) - Division Level

Person(s) at each facility responsible for insuring compliance with the Program. Each ITC Coordinator will

- Implement the processes and procedures established by Corporate International Trade Compliance and/or General Manager in furtherance of this Policy and the Program.
- Ensure that all employees comply with the processes and procedures established by the General Manager.
- Have the authority to stop transactions at division level at any point before any potential violation occurs (such stopped transactions are "On Hold").
- Review all "red flags," "alerts" or non-compliance issues raised by applicable division employees, and, to the extent possible, "Clear" transactions after analyzing the information and consulting the ITC Manager or the Legal Department, as needed.
- Conduct annual export compliance training as needed for responsible employees.
- In coordination with management at the division level, will be responsible for assisting with any risk assessment or audit; and
- On a regular basis, review commercial invoices to ensure that the following Diversionary Clause is inserted into all commercial invoices:

  "These commodities, technology, or software were exported from the United States in accordance with the Export Administration Regulations. Diversion contrary to U.S. laws is prohibited."

Legal Counsel

The McWane Legal Department and outside legal counsel, as necessary, will:

- Oversee the coordination of official McWane responses to Government inquiries or requests for information.
- Provide guidance and advice on export & import policies and procedures.
- In conjunction with the ITC Manager, monitor the laws and regulations affecting import & export compliance and disseminate information regarding import & export control changes; and
- Assist in addressing instances of suspected non-compliance with risk assessments, audits, and this Policy, as required.

3. TRAINING

It is McWane's policy to ensure that members of the ITC Team are aware of their responsibilities under the various U.S. import & export laws and regulations. In addition to the applicable U.S. laws and regulations it is also necessary to be aware of any foreign laws and regulations that may apply to your specific situation. The ITC Manager will conduct a risk assessment, as needed, to create a tailored and effective training program for each McWane company, division and/or location.

3.1 Employees to be Trained. McWane employees will receive training assigned by Corporate International Trade Compliance based on the applicable inherent international trade risk and each employee's individual job responsibilities and how they relate to the Program. In addition, employees may receive training assigned by the ITC Coordinator or management at the division level. For employees affected by international trade, training will be conducted at least once per year or more frequently, if needed, based on any new findings of potential issues/risks.

New hires in applicable ITC positions will undergo basic training regarding this policy at time of employment. In addition to basic training, they will receive additional training as needed based on their new role's requirements and any identified non-compliance with this Policy or the Program.

4. KEY CONCEPTS AND POLICIES

4.1 Country Restrictions and Trade Embargoes – A variety of U.S. laws and regulations prohibit or restrict trade, directly or indirectly, with certain sanctioned or embargoed countries or regions. Certain U.S. laws may ban all trade and commerce in a country (e.g., Cuba), but the U.S. has also partially embargoed or sanctioned regions in other countries (e.g., Donetsk Region of Ukraine). Therefore, this Policy prohibits any McWane division from doing any business in embargoed countries and/or regions. For additional information, please see the ITC Manual dealing with Trade Embargoes.

4.2 Sanctioned Individuals, Entities and Organizations – In addition to trade embargoes, numerous individuals, entities, organizations, countries, regions, and vessels are subject to trade, economic or other sanctions and restrictions. Therefore, this Policy prohibits any McWane division from doing any business with sanctioned individuals, entities, or organizations. To ensure compliance with this Policy, it is also McWane's policy to conduct "Restricted-Party Screening" prior to entering into any business relationship or transaction with any individual, entity or organization, regardless of Country, jurisdiction, region or area. For additional information, please see the ITC Manual dealing with Restricted-Party Screening.

4.3 End-User and End-Use Questionnaires – McWane is responsible for practicing due diligence when engaging in business with new and existing customers. Many of the products we sell are not subject to certain trade laws or restrictions given their normal or typical use; however, in certain situations, our products may be subject to such laws or restrictions, depending on the End-User or the intend use of the product. Therefore, this Policy requires each McWane division complete End-User/End-Use Questionnaires and perform due diligence with respect to the sale of all McWane products. For additional information, please see the ITC Manual dealing with End-User/End-Use Questionnaires. You can also find the McWane End Use Form here: McWane End User Form . Please review McWane's Know Your Customer guidance for additional information.

5. RECORDKEEPING

5.1 Overview Requirements. McWane is required to maintain import/export-related records in accordance with the Export Administration Regulations (**EAR**) and the Code of Federal Regulations (**CFR**). Failure to properly maintain records may result in financial penalties for each occurrence and potential loss of import/export rights. Documents may be kept electronically or physically as long as they are readily accessible when they are needed for any purpose.

Per the CFR, any record required to be made, kept, and rendered for examination and inspection by Customs shall be kept for 5 years from the date of entry, if the record relates to an entry, or 5 years from the date of the activity which required creation of the record. If the record is relating to a duty drawback claim, then the record must be kept until the third anniversary of the date of payment on the drawback claim.

5.2 Records to Be Kept. All documents related to import/export activities must be retained, whether they involve the administrative processes, obtaining licenses or other approvals. It is McWane's policy that the following import/export documents and related supporting materials be retained by McWane and each of its divisions and subsidiaries.

- Any paperwork detailing internal export control assessments, including any documentation regarding the applicability of any licensing exemptions (such as public domain or fundamental research).
- Classification decisions issued by the applicable government agency.
- License applications, and all supporting documents.
- Issued licenses with limitations or provisos, if any.
- International Import Certificates and applications therefore
- Delivery Verification or similar evidence of delivery.
- EEI filing documents (ITN Number).
- Receipts, bills of lading and other documents related to export clearance.
- Reports of boycott requests, and all documents relating to the requests.
- Any document issued by the U.S. Government that proves that an import/export occurred.
- Applications for registration.
- Purchase orders.
- Foreign import certificates.
- Bills of lading (any mode).
- Non-transfer and use certificates.
- Country of Origin determinations & rationale; Certificates of Origin
- Memoranda, notes, correspondence, contracts, invitations to bid, books of account, financial records, and any other written matter pertaining to an export.
- Records concerning the manufacture, acquisition, and disposition of defense articles and services.
- Audits/Assessments
- Training Records
- Any other records required under *any* provisions of the EAR, the International Traffic in Arms Regulations (**ITAR**), the Bureau of Alcohol, Tobacco, and Firearms regulations (**BATF**), or the Office of Foreign Assets Control Regulations (**OFAC Regulations**).

5.3 ITC Manager Record Retention. The ITC Manager is responsible for retaining records concerning:

- Employee import/export training records
- Product information to support declarations to BIS/ U.S. Department of State (**DOS**)
- BIS/DOS Export license applications, letters, memoranda regarding the license (if applicable)
- Any other records considered necessary to verify declarations made on import/export documentation.
- Correspondence pertaining to import/export issues (audit files, corrective actions, suspected violations, etc.)
- Internal assessments and audits for each division

5.4 Records Accessibility. Records must be kept in a manner which facilitates the ability to retrieve the records for any purpose and to review the records during internal or government audits. In the event any request for documents from a government agency or representative, immediately contact the ITC Manager and the Legal Department, and take no further action.

6. AUDITS/ASSESSMENTS

6.1 Overview. To ensure our compliance with applicable import and export laws, our trade compliance program must include internal assessments. These assessments are designed to review our Program objectively and independently. The assessments/audits include a periodic review of random sampling of contracts, import/export documents and activities, processes, and procedures. They also help identify potential errors and risks at their earliest opportunity and to detect deficiencies within our Program before a potential violation occurs. Assessments/audits also help determine whether each division effectively adheres to McWane policies and procedures.

6.2 Frequency of Assessments/Audits. Assessments will be conducted on a periodic basis and will consist of random and scheduled reviews. The potential level of risk posed by a division/location will determine the assessment frequency. These risk factors include import/export activities, types of technologies employed/sold, and the division's/location's past compliance record. These factors along with the knowledge and discretion of the ITC Manager will determine how frequently a division/location is assessed.

McWane divisions and locations that do not currently have Import/Export activity will still be subject to policy and procedure assessments to assure that if their importer/exporter status changes they are prepared and for overall trade compliance awareness within McWane.

6.3 Responsibilities for Audits and Assessments. Corporate International Trade Compliance in conjunction with the division ITC Coordinator are responsible for conducting and completing assessments/audits. Any trade compliance issue requiring further investigation will be handled by the Corporate ITC Manager, ITC Coordinator assisted by the Legal Department as needed.

6.4 Corrective Actions and Training. Findings and associated corrective actions will be developed following each assessment and shared with the GM and other appropriate personnel. In addition, training will be provided following each assessment which focuses on the findings and corrective actions, as well as any identified weaknesses, and other areas of trade compliance, as necessary.

The General Manager and senior management at the division/location will be responsible for assuring that corrective actions are satisfactorily completed in a timely manner.

6.5 Investigations. McWane personnel may not, under any circumstances, interfere with or impede any federal law enforcement officer performing his/her official duties in an investigation.