

Caplugs Supplier Code of Conduct

Effective Date: August 12, 2022

This Supplier Code of Conduct applies to all suppliers (“Suppliers”) of Caplugs, Inc. and any of its subsidiaries (collectively, “Caplugs”). Caplugs is committed to high standards of ethics, integrity and sustainability. Caplugs considers its Suppliers important business partners and expects all Suppliers to comply with minimum standards of business conduct and to conduct business in accordance with the principles set forth in this Supplier Code of Conduct.

Caplugs views compliance with such standards as a significant factor in making decisions about entering into or continuing relationships with Suppliers. Accordingly, as an Caplugs Supplier, you must comply with all applicable laws and regulations, the requirements set out in this Supplier Code of Conduct, and your contractual obligations to Caplugs.

The provisions of this Supplier Code of Conduct are in addition to, and not in lieu of, the provisions of any written agreement between the Supplier and Caplugs. Caplugs expects Suppliers to hold their supply chain, including subcontractors and third party service providers, to the same standards contained in this Supplier Code of Conduct.

I. BUSINESS ETHICS

Suppliers are expected to conduct their businesses in an ethical manner and to act with integrity which includes without limitation the following:

Compliance with Laws

Suppliers must adhere to all applicable laws and regulations in the countries and jurisdictions in which they operate as well as the Foreign Corrupt Practices Act, The Modern Slavery Act of 2015, the Uyghur Forced Labor Prevention Act, and applicable anti-trust/anti-competition laws, international trade regulations, anti-boycott laws, economic sanctions and laws relating to the import and export/reexport of goods.

Suppliers shall record all business transactions and prepare all records, reports and other documents involving Caplugs accurately, truthfully and completely and maintain accurate financial books and business records in accordance with all applicable legal and regulatory requirements and accepted accounting practices.

The use of corporate funds, property, or other resources for any unlawful or improper purpose is prohibited.

Conducting Business Ethically

Bribery, kickbacks, corruption, extortion, embezzlement and any other form of unethical business practices (including without limitation conduct in violation of competition laws) is prohibited.

Caplugs' policies prohibit offering, giving, requesting or accepting anything of value or any advantage to obtain any improper benefit, or to induce someone to act improperly or in bad faith or reward someone for doing so.

Caplugs recognizes that in some cultures, gifts and business courtesies are considered an important part of the development of business relationships. Suppliers must ensure that gifts or other business courtesies given to customers and any other party are in compliance with applicable anti-bribery laws.

No listing of ethical guidelines can be considered complete. It is incumbent upon Suppliers to avoid the misconception that if it is legal, it is ethical. Appropriate conduct must reflect good judgment, fairness, and integrity.

Responsible Sourcing

Suppliers must maintain sufficient knowledge of its raw materials and components to ensure they were obtained from permissible sources and in compliance with applicable law. If mandated by applicable law, Suppliers should implement a policy regarding conflict minerals and exercise due diligence in the sourcing of these minerals. Additionally, Suppliers shall exclusively utilize parts obtained directly from the Original Component Manufacturer (OCM) or the Original Equipment Manufacturer (OEM), or an authorized reseller or distributor. Upon the request of Caplugs, Suppliers shall provide evidence of compliance with such requirements.

Confidential Information

Proper management of confidential information is critical to the success of both Caplugs and the Suppliers. Suppliers must protect all Caplugs confidential information, electronic data, and intellectual property by employing appropriate safeguards. Any transfer of confidential information must be executed in a way that secures and protects the intellectual property rights of Caplugs. Suppliers may receive Caplugs confidential information only as authorized by a confidentiality agreement and must comply with their obligations to not disclose the confidential information, to not use the information except as permitted by such agreement, and to protect the information from misuse or unauthorized disclosure. Caplugs will similarly safeguard any confidential information provided to it by the Supplier. Suppliers may not use Caplugs' trademarks, images, or other intellectual property unless explicitly authorized by Caplugs in writing.

II. HUMAN RIGHTS & FAIR LABOR

Suppliers are expected to conduct their business in a manner that respects human rights including without limitation by complying with the following:

Harassment

Each employee shall be treated with dignity and respect, and no corporal punishment, threats of violence or other forms of physical, sexual, psychological or verbal harassment or abuse shall be used. Suppliers must strive to create a workplace that prohibits harassing or hostile behavior. Additionally, Suppliers must provide an environment that allows employees to raise concerns without fear of retaliation. Suppliers should have an appropriate system that allows employees to report their concerns.

Child Labor; Forced Labor

Child labor, forced or involuntary labor, whether prison, bonded, indentured, slave or otherwise, is prohibited. Suppliers may not employ workers under the age of 14, regardless of local regulations.

Suppliers must allow employees the choice to leave their employment upon reasonable notice. Suppliers must not participate in human trafficking or slavery and must not purchase materials or services from companies that use forced labor or participate in human trafficking or slavery. All Suppliers must be able to certify that materials in their products comply with the slavery and human trafficking laws of the country or countries in which they do business.

Hiring and Employment Practices

Suppliers shall not engage in discriminatory hiring and/or employment practices, including salary, benefits, advancement, discipline, termination or retirement, on the basis of race, religion, age, nationality, ethnic or social origin, sexual orientation, gender, genetic information, disability, or any other protected characteristic.

Suppliers must comply with all local laws and regulations regarding an employee's legal right to work, including verifying work status through appropriate documentation. Suppliers are expected to support and promote diversity in the workplace and provide equal opportunity for all qualified applicants.

Compensation and Working Hours

All applicable wage and hour laws and regulations, including those relating to minimum wages, overtime, maximum hours, and other elements of compensation shall be complied with and all legally mandated benefits shall be provided to employees; provided that, if local industry standards are higher than applicable legal requirements, you shall meet such higher industry standards. If local laws do not address employee compensation, you shall provide wages and benefits that, at a minimum, support employees' basic needs in light

of local conditions. Suppliers should ensure that employees are allowed leave time and should conduct operations in ways that limit overtime to a level that ensures a humane and productive work environment.

If applicable, Suppliers must adhere to agreed-upon collective bargaining agreements.

III. SAFETY AND ENVIRONMENTAL RESPONSIBILITY

Suppliers are expected to provide a safe working environment and to operate in an environmentally responsible and efficient manner including without limitation by complying with the following:

Safe Workplace

Suppliers must provide a safe workplace, in compliance with all applicable laws including environmental laws, for all employees which provides, at a minimum, reasonable access to potable water and sanitary facilities, fire safety, and adequate lighting and ventilation. Suppliers must ensure that all employees are sufficiently aware of health and safety risks and are appropriately trained. Further, Suppliers should take proactive measures that support accident prevention and minimize health risk exposure.

Environmental Responsibility

Suppliers shall conduct their operations in an environmentally sound and responsible manner that minimizes the impact on natural resources. Suppliers must ensure that their operations, products and services comply with all applicable environmental laws.

Suppliers are expected to support a proactive approach to environmental responsibility by protecting the environment, conserving natural resources and reducing the environmental impact of their production, products and services throughout their life-cycle. In particular, Caplugs expects Suppliers to:

- Monitor, appropriately control and minimize emissions contributing to local air pollution
- Develop and offer products that help contribute to improved efficiency and reduced emissions
- Minimize waste generation
- Promote the conversion to environmentally friendly materials, including the use of recycled and recyclable materials
- Maximize the efficient use of natural resources, including water
- Strive for environmental leadership in regions in which you operate