



# Code of Business Conduct

# MESSAGE FROM THE PRESIDENT

Dear Colleagues,

With every step we take at Hydraulic Technologies, we are defining ourselves as a global leader in manufacturing high-pressure hydraulic pumps, tools, shop equipment, work holding automation, and railway track system equipment that is efficient, safe, and sustainable. We must remember that sustainable solutions include not only our products and operations. Our interactions, relationships, and communities need to be sustainable, too.

We deserve to feel supported in our work environment by encouraging each other to seek creative solutions for our customers, celebrate our successes, and work together to pursue every inch of improvement. In this spirit, we have enhanced our Code of Business Conduct to reflect our company culture, which has been developed over many years, and provide us with illustrative guidance on dealing with job challenges.

Our Code of Conduct outlines the principles and behaviors that should unite and sustain us as individuals, a workforce, and a company throughout the following pages. These principles reinforce our purpose, aspirations, and values and remind us that we must always show integrity as members of the HT team. Doing so builds trust among our colleagues as we pursue our business and personal goals. It is imperative, however, that we achieve our goals while upholding these core values.

Always acting with integrity is the right thing to do, and it permits us to become a better, more substantial, and higher-performing business.

Sincerely,

*Aaron Sztuk*

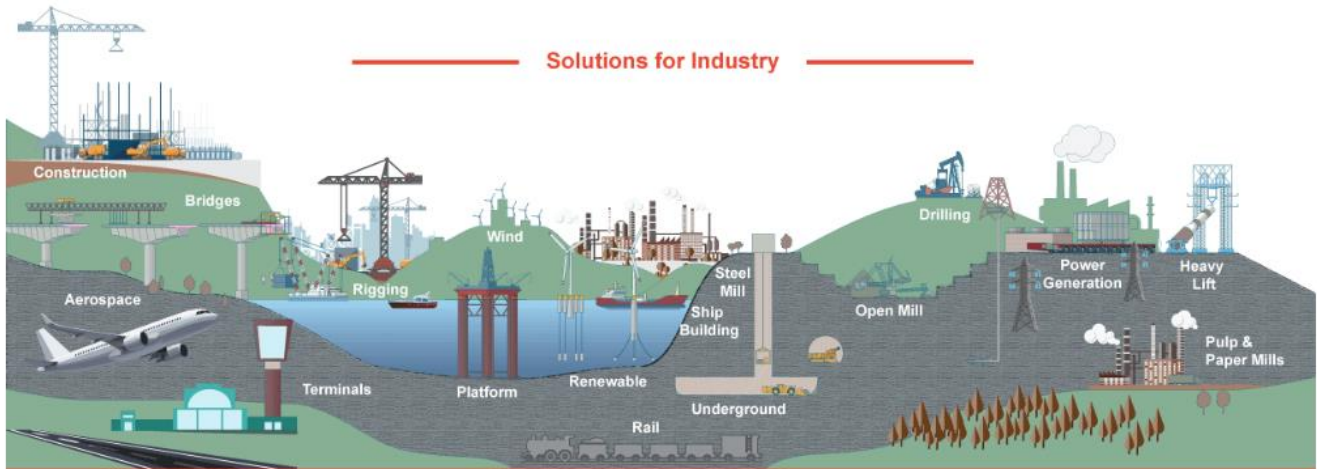
President



# Mission

**HYDRAULIC TECHNOLOGIES** improves the world through innovative and sustainable solutions. We achieve our mission with:

“To Advance the World by Delivering Safety Critical, Best-in-Class Hydraulic Tools and Equipment across Industry Markets.”



## Purpose & Values

We are one team driving to make sustainable impact through thoughtful innovation to make the world better;  
We are straightforward and open-minded; We keep it simple.

### Collaborative



We drive with teamwork; our culture enables us to bring ideas forward to work. We have the courage to take action to move the company forward.

### Consistent



Ability to be aligned with quality of always behaving or performing in a similar way, while striving and challenging for continuous improvement

### Committed



Our criteria for the best product rests on quality, function, serviceability, and foremost durability to our customers.

## OUR CODE OF BUSINESS CONDUCT

At HYDRAULIC TECHNOLOGIES, how we achieve our goals is just as important as whether we achieve them. Integrity means we always choose the right way even when it may not be the easy way. This reflects who we are as individuals and our culture of respect, honesty, and teamwork.

### How to Use the Code

Our Code of Business Conduct (“Code”) provides practical guidance to help you make both ethical and legal decisions. While the Code addresses many scenarios you may face in your work at HYDRAULIC TECHNOLOGIES, it’s not possible to address all of them. We rely on you to exercise good judgment and ask for help when you have questions or concerns.

### Our Responsibilities

It is the responsibility of every HYDRAULIC TECHNOLOGIES team member, officer, and director to understand and follow the Code.

We also have an obligation to report possible violations. By speaking up, we help uphold our core values of being collaborative, committed and consistent.

Violations of the Code can damage our business and our reputation. Reports of violations are investigated promptly. All team members are obligated to cooperate fully in our investigations of compliance violations. In connection with each investigation, HYDRAULIC TECHNOLOGIES will:

- ❖ Remedy any harm that has occurred
- ❖ Consider appropriate action to prevent it from happening again
- ❖ Comply with any governmental reporting requirements
- ❖ Ensure that any violation is addressed in a way that is fair to HYDRAULIC TECHNOLOGIES, its team member, or other affected parties

Leaders, managers, and supervisors have additional responsibilities as they may receive reports or listen to concerns of potential violations from team members. Their responsibility to the Code involves listening to and supporting team members who trust them with their concerns, as well as ensuring that the concerns are reported so that HYDRAULIC TECHNOLOGIES can investigate, if appropriate.

### Speaking Up, Reporting Concerns, and Getting Help

The Code is the cornerstone of HYDRAULIC TECHNOLOGIES’ Ethics and Compliance Program. With this Code, we hope you feel empowered to speak up and report potential unethical, noncompliant, or illegal behavior you observe.

### How Do I Report an Issue or Seek Advice?

Direct questions or concerns about complying with the Code to your manager or Human Resources.

### What About Retaliation?

HYDRAULIC TECHNOLOGIES prohibits any form of retaliation against a team member who either reports a possible violation in good faith or participates in an investigation. Good faith means that, to the best of your knowledge, the report is accurate and truthful. If you believe you may have been retaliated against, you should report the incident immediately.

### Waivers

Only the HYDRAULIC TECHNOLOGIES Board of Directors or a committee of the Board may grant a waiver to the Code.

### Learn More

<https://hydraulictechnologies.com/compliance>

# TREAT OTHERS WITH RESPECT

## INTEGRITY ALWAYS WITH OUR PEOPLE AND IN OUR DEALINGS WITH OTHERS

### We Respect Each Other

We treat each other with dignity, respect, and professionalism, and are committed to providing an inclusive work environment that is free from all forms of unlawful discrimination, harassment, forced labor, and human trafficking.

We embrace teamwork and leverage the strength of diverse talents and perspectives by:

- ❖ Building our teams with diversity
- ❖ Sharing information and seeking input from all of our team members
- ❖ Listening to other points of view with courtesy and respect
- ❖ Speaking out if we feel our views or those of others are being disrespected

### WHAT DOES EMPOWERING OTHERS LOOK LIKE?

Part of our commitment to teamwork without borders is providing opportunities to, and valuing contributions, perspectives, and talents from, a variety of different people. This includes people of different:

- ❖ Races or ethnicities
- ❖ Gender
- ❖ Religions
- ❖ Physical abilities
- ❖ Generations

### We Adhere to Employment Laws

HYDRAULIC TECHNOLOGIES does not allow unlawful discrimination of any kind. Rather, we allow team members to contribute to the best of their abilities and provide the company with the full benefits of their talents. We also do not allow unlawful discrimination in the evaluation and hiring of new employees. We base our recruitment decisions on qualifications, without bias. We make the best decisions when we draw on diverse talents and perspectives. Good decisions pave the way for our company's success.



### We Promote a Harassment-Free Workplace

We believe everyone should be treated with respect and work in a supportive environment free from harassment. We prohibit harassment and threatening or violent behavior because it is the right thing to do and it strengthens our business and our community.

We create a supportive work environment for everyone by:

- ❖ Always treating one another with dignity and respect
- ❖ Not saying or doing anything that others reasonably may find demeaning, degrading, or unprofessional
- ❖ Speaking up if we witness harassing, threatening, or violent conduct

### WHAT DOES HARASSMENT LOOK LIKE?

Harassment is unwelcome and inappropriate verbal or physical behavior. When it comes to harassment, the question is not what we mean or intend by our words or actions, but how others reasonably might perceive or react to them.



### It can be something we say or write

(in person or on social media):

- ❖ Racial, ethnic, or gender-based slurs
- ❖ Jokes or stereotypes
- ❖ Threatening, loud, or abusive language

### It can be something we do:

- ❖ Unwelcome touching
- ❖ Making sexual advances
- ❖ Blocking someone's path

### It can be something we display:

- ❖ What others may consider pornographic or sexually suggestive photos or materials in an office cubicle
- ❖ Slogans, posters, or bumper stickers in or on HYDRAULIC TECHNOLOGIES property that may be perceived as obscene, demeaning, or degrading

**Q:** I see Gwen from accounting every morning in the break room getting coffee, and I make a point of complimenting her on her outfit or her hair. She's asked me to stop, but I think she's overreacting. Everyone likes getting compliments, don't they?

**A:** Since Gwen has asked you to stop, it's important to respect her wishes. Repeatedly commenting on someone else's appearance, no matter your intention, can make the other person feel uncomfortable. It is our responsibility to help everyone to feel safe and comfortable at work.

## We Invest in Employee Health and Safety

We share the responsibility of keeping each other, our visitors, and ourselves safe, secure, and healthy in the workplace. When we feel secure, we can be more productive and engaged in our work.

We maintain a safe and secure workplace by:

- ❖ Knowing and following all safety guidelines and procedures
- ❖ Never taking unnecessary risks in the workplace or asking others to do so
- ❖ Knowing what to do in case of injury or other workplace emergencies and cooperating during emergency drills

- ❖ Reporting any unhealthy or unsafe conditions or behaviors
- ❖ Immediately stopping what we are doing if we encounter unsafe conditions
- ❖ Never bringing illegal drugs or other controlled substances onto HYDRAULIC TECHNOLOGIES property or working under their influence
- ❖ Talking to a manager if we see a colleague who may be under the influence of alcohol or drugs while at work
- ❖ Reporting any threats of violence we experience or witness, including threats made outside work and on social media

**Q:** I'm concerned that my coworker might be drinking alcohol at work. I can smell alcohol on his breath after he's gone out to his car at lunch, but it doesn't seem to be affecting his job. I don't want to get him in trouble. Should I just wait and see if anything happens?

**A:** No, you should not wait. You should report your concerns to your manager or Human Resources representative. Your loyalty to your coworker is understandable, but if he is drinking while at work, he is putting himself and other coworkers at risk. He could harm himself or cause someone else to be hurt. By reporting your concerns, they can be investigated, and if your concerns are confirmed, it might be an opportunity for your coworker to seek help.

## We Uphold Human Rights and Prevent Forced Labor, Modern Slavery, and Human Trafficking

We are committed to respecting and protecting human rights, and we expect our business partners to share this commitment.

We prevent human trafficking, forced labor, and modern slavery by requiring that our team members and business partners (including contractors, subcontractors, vendors, suppliers, and partners):



- ❖ Do not utilize child, slave, prisoner, or any other form of forced or involuntary labor
- ❖ Refrain from abusive, misleading, or corrupt employment practices resulting in forced labor, slavery, or human trafficking
- ❖ Do not destroy, conceal, confiscate, or otherwise deny access to an individual's identity or immigration documents, such as a passport or driver's license
- ❖ Refrain from making material misrepresentations during the recruitment process concerning key terms and conditions, including wages, benefits, work location, living conditions, housing, transportation, and associated costs
- ❖ Speak up when they see or suspect human rights violations

**Q:** I've been working with a new supplier. It manufactures the same quality parts but at a much lower price. Recently, I've heard rumors about the working conditions at the supplier's factories, and I've heard that it does not pay its workers. These are only rumors, and I'm worried that changing suppliers will hurt HYDRAULIC TECHNOLOGIES' bottom line.

**A:** One of our core values is Do the Right Thing, Always. The choice between profits and our integrity is not a choice at all. If you suspect that a supplier is violating human rights by engaging in human trafficking or modern slavery, which includes not paying workers, you must report it. It's the right thing to do.

## We Prioritize Data Protection and Privacy

We protect the privacy, confidentiality, and security of our team members, customers, and business partners.

We handle private, confidential data responsibly by:

- ❖ Complying with all applicable privacy and data protection laws
- ❖ Collecting and using employees' personally identifiable information (PII) only to meet legal requirements or effectively conduct business
- ❖ Ensuring that all data and confidential information from our employees, customers, and business partners is properly secured
- ❖ Never sharing confidential information with anyone, inside or outside HYDRAULIC TECHNOLOGIES, without business need or permission to do so

**Q:** I have moved to a new role in the company and have noticed that I still have access to files on HYDRAULIC TECHNOLOGIES' servers that contain employee personal information. I don't need to access this information for my new role. Should I continue to have access to these files?

**A:** No, you should only have access to other employees' personal information if it is necessary for you to fulfill your job duties. Inform the person responsible for maintaining the data that you don't need the access. Then, ensure that your access is limited appropriately.



## INTEGRITY ALWAYS IN HOW WE COMPETE

### We Are Committed to Honest Business Practices

We build trust and confidence with our customers, suppliers, and business partners by speaking with pride, honesty, and transparency about our products and services.

We go the extra mile to build deep customer relationships by:

- ❖ Highlighting the capabilities of our products and services, not misrepresenting them
- ❖ Accurately estimating timelines, even when it is not what our customer wants to hear
- ❖ Not falsely misrepresenting our competitors' products, services, or capabilities
- ❖ Ensuring our marketing materials and contracts comply with all laws and regulations

**Q:** One of my goals is to be the number one sales agent this year, so I really want to close this deal with this new customer. To do so, I might have to exaggerate our products' capabilities and agree to meet the customer's unrealistic delivery dates. But I know that the customer ultimately will be satisfied, so it's not a big deal, right?

**A:** Yes, it is a big deal. We believe that establishing long-term relationships with our customers is key to our success. These long-term relationships are based on trust—trust in the quality and reliability of our products as well as trust that we'll deliver on our promises. While there may be short-term gains by not being honest, it may harm the relationships we are trying to build and our future success. You should always be honest about our products, services, and timelines.







### We Prevent Bribery and Corruption

We build our business on the strength of our products and services. We do not do business by offering or accepting any improper payments, incentives, gifts, or other forms of bribery.

We do the right thing always and prevent bribery and corruption by:

- ❖ Complying with the laws that prohibit receiving, offering, providing, or authorizing the payment of bribes of any kind. These include local anti-bribery laws as well as the U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act, which apply to our operations around the world
- ❖ Never offering, promising, or giving anything of value to gain a business advantage
- ❖ Keeping accurate and complete records so funds are not used for unlawful purposes
- ❖ Ensuring that legal due diligence is performed and regularly updated on all agents, distributors, and consultants prior to engaging in transactions with them
- ❖ Never using an agent or other third party to make improper payments
- ❖ Following HYDRAULIC TECHNOLOGIES policies related to giving and receiving gifts and entertainment (see the We Do Not Give or Receive Inappropriate Gifts and Entertainment section for more information)
- ❖ Reporting any concern about a potentially improper payment
- ❖ Never requesting or accepting a kickback

### WHAT IS A BRIBE?

A bribe is a gift of money or something else of value given to influence a decision or action in return. For example, money given to a government official to pass an inspection is a bribe, and so is giving lavish gifts or paying travel expenses for a customer to secure a contract.

### WHAT IS A KICKBACK?

A kickback is money or something else of value paid to someone who has facilitated a transaction or appointment. For example, money or a lavish gift a supplier gives to a HYDRAULIC TECHNOLOGIES procurement manager who facilitated the award of a contract to the supplier is a kickback.

**Q:** Can HYDRAULIC TECHNOLOGIES be prosecuted if a sales agent or distributor bribes someone to obtain a contract that benefits HYDRAULIC TECHNOLOGIES?

**A:** Yes, definitely. HYDRAULIC TECHNOLOGIES is responsible for ensuring that its sales agents and insurers act legally and ethically. Government enforcement authorities can and will hold HYDRAULIC TECHNOLOGIES accountable for its business partners' illegal actions.

**Q:** The sales agent for a key sale worked really hard. Can I pay him a larger commission than provided in the agent's contract?

**A:** The answer is almost always no. Collecting a larger commission and using the surplus is a well-established method for agents to pay bribes. Therefore, HYDRAULIC TECHNOLOGIES can pay sales agents only their contractual commission rate. Limited exceptions to paying increased commission rates may apply, but the Legal Department must approve all exceptions.

## We Do Not Give or Receive Inappropriate Gifts and Entertainment

We look for honest opportunities to build and strengthen business relationships. We ensure the integrity of our sales and procurement processes and do not allow gifts and entertainment to influence business decisions and interactions.

We avoid the appearance of improper influence and make objective decisions by:

- ❖ Giving or accepting gifts and entertainment that are non-lavish, reasonable in value, infrequent, and appropriate under the circumstances
- ❖ Avoiding even the appearance of improper conduct
- ❖ Never asking for gifts or hospitality, or otherwise accepting cash, gift cards, or other cash equivalents
- ❖ Seeking guidance from Human Resources or a Company Officer when giving gifts and entertainment to government officials

## We Follow Antitrust and Competition Laws

We succeed based on the strength of our ideas, products, and services. We do not succeed through anticompetitive conduct or unfair business practices.

We adhere to all applicable antitrust, competition, and unfair business practice laws in all countries.

We compete honestly and follow laws meant to protect free and fair competition by:

- ❖ Never discussing pricing, bidding processes, or market strategies with HYDRAULIC TECHNOLOGIES competitors
- ❖ Never allocating customers, territories, or bidding opportunities among our competitors
- ❖ Immediately reporting any attempts by competitors to engage in improper discussions or make illegal agreements
- ❖ Not making false claims or negative comments about competitors' products
- ❖ Never using illegal or questionable actions to obtain competitive information
- ❖ Not using our market strength or information in any way that might unfairly harm or prevent competition





## WHAT ARE ANTITRUST AND COMPETITION LAWS?

Laws designed to maintain free and fair competition are known as antitrust laws in the United States and competition laws in most other places. They vary by state or country and can be complicated. These laws determine how companies can compete and interact with each other. Generally, they prevent companies from:

- ❖ Making agreements with competitors to allocate opportunities
- ❖ Working together to artificially set prices, otherwise known as collusion or price fixing
- ❖ Engaging in predatory pricing, price gouging, or other abusive behaviors
- ❖ Impeding competition by monopolizing a market

**Q:** Can HYDRAULIC TECHNOLOGIES get together with its competitors and agree to share price information or charge the same price, divide up customers or regional markets between them, or decide which company will win bids for particular projects?

**A:** No, it's against the law for competing companies to agree on pricing, customer and market allocating, and rigging bids.

**Q:** Can HYDRAULIC TECHNOLOGIES charge different prices to different distributors for the same products?

**A:** It depends. In certain jurisdictions, like the U.S., the law generally prohibits "price discrimination," which is charging distributors or other customers that compete with each other different prices for the same product. This prohibition does not apply to products with different features or that are specially engineered or configured. There are exceptions to price discrimination that apply to volume purchase, rebate programs, and select other circumstances. The Legal Department must approve any exceptions.



## INTEGRITY ALWAYS IN HOW WE CONDUCT OUR BUSINESS

As employees, officers, and directors of a global company each of us must comply with the letter and spirit of every applicable law or regulation in each country and locality in which we operate. Each of us is responsible for understanding the laws and regulations that relate to our responsibilities.

### We Are Committed to Maintaining Accurate Books and Records Along with Accurate Financial Reporting

We maintain complete and accurate books and records so that we can make responsible business decisions and provide truthful and timely information to investors and government agencies. We do not compromise in maintaining accurate books and records. To ensure reliable financial reporting and help us comply with the law, we strictly follow HYDRAULIC TECHNOLOGIES' internal controls. Each of us has a personal responsibility to ensure the accuracy of company books, records, and financial reporting.

We comply with financial reporting requirements and keep accurate books and records by:

- ❖ Maintaining books, general accounting records, purchasing and manufacturing records, time cards, expense reports, and all other company records that honestly reflect company transactions, without misstatement, exaggeration, or guesswork
- ❖ Ensuring that accurate and complete records are promptly submitted to internal and external auditors
- ❖ Never misleading or misinforming anyone about our business operations or finances
- ❖ Reporting any concern that a record is inaccurate, false, or misleading
- ❖ Adhering to the established internal controls that apply to our particular jobs
- ❖ Reporting concerns immediately to our manager, corporate controller or CFO, or Human Resources especially if we
  - become aware that an internal control or procedure has been bypassed or overridden

HYDRAULIC TECHNOLOGIES' CEO, CFO, Accounting, and Finance team members have a special responsibility to both adhere to these obligations and ensure that a culture exists throughout the company mandating the fair, accurate, and timely reporting of our financial results and condition.

**Q:**

My team is compiling our quarterly reports, and I know that several departments have exceeded their target for expenses this quarter. I know the company will make it up in the next quarter, so showing the true expenses in this report will cause a lot of stress to many of my coworkers. Can I adjust the numbers to match our targets?

**A:**

No. While we can appreciate your desire to protect your coworkers, SEC regulations require accurate financial reporting, so submitting false records and reports is against the law. Additionally, one of our core values is to Ask the Hard Questions. This means that we must be willing to face the truth, even if it is not what we want to hear. By doing this, we can try to figure out if there's a problem that we need to address. By hiding the problem, you would be preventing us from trying to fix it. It might help you to express your concerns to your supervisor, who will support honest and accurate reporting.



**Q:** I received a letter of credit in connection with a contract for a Middle Eastern customer that requires that HYDRAULIC TECHNOLOGIES not use any components purchased from Israel. Can I accept the letter of credit?

**A:** The letter of credit reflects the customer's request that HYDRAULIC TECHNOLOGIES participate in the Arab boycott of Israel. It's generally unlawful for HYDRAULIC TECHNOLOGIES to participate in the boycott or even to accept transactional documents reflecting a boycott request. Additionally, HYDRAULIC TECHNOLOGIES may have a legal obligation to report the boycott request to the U.S. Department of Commerce. Promptly report the letter of credit to Human Resources for guidance on how to proceed.

### We Protect Corporate Opportunities and Assets

All of us owe a duty to HYDRAULIC TECHNOLOGIES to advance the company's legitimate business interests when an opportunity arises. We also must safeguard HYDRAULIC TECHNOLOGIES' assets to ensure that we have the resources and capabilities to serve our customers and create value for our shareholders. Accordingly, we:

- ❖ Ensure that HYDRAULIC TECHNOLOGIES assets are not damaged, abused, wasted, lost, or stolen
- ❖ Use HYDRAULIC TECHNOLOGIES assets and property only to conduct business for HYDRAULIC TECHNOLOGIES
- ❖ Exercise good judgment in using information and communications systems, and the electronic data they store, process, or transmit
- ❖ Always handle HYDRAULIC TECHNOLOGIES funds honestly, responsibly, and in accordance with our policies
- ❖ Never compete, directly or indirectly, with HYDRAULIC TECHNOLOGIES

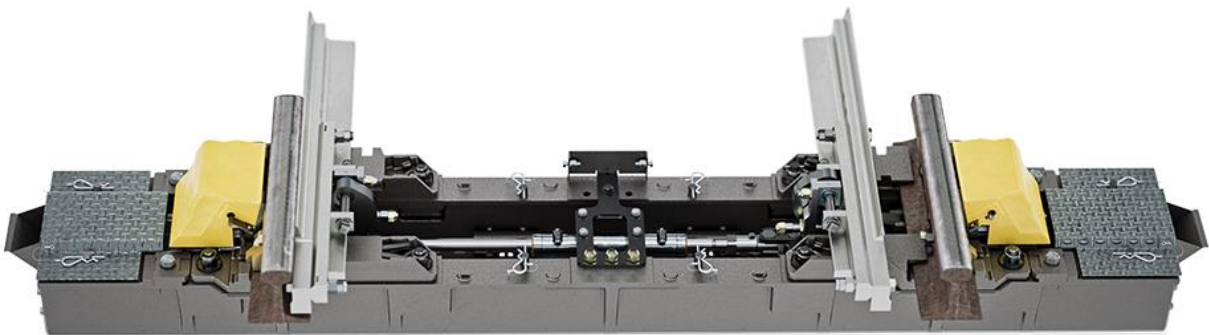
HYDRAULIC TECHNOLOGIES has a variety of assets that add value to our company and help us innovate and succeed. These include:

**Physical assets:** office supplies, furnishings, production machinery, chemicals, warehouse equipment, and mobile phones. The land, office buildings, and manufacturing facilities where we operate are also our physical assets.

**Information assets:** all data contained in our files and on our servers.

**Intangible assets:** our reputation, ideas, inventions, intellectual property, designs, copyrights, trademarks, patents, and trade secrets.

**Financial assets:** money, stocks, bonds, loans, and deposits.





**Q:** In my spare time, I work for a nonprofit that finds homes for stray cats and dogs. We have an upcoming adoption event. Since it's for a good cause, is it okay to use the company copier to make copies of a flyer about the event and then hand out the flyers at work?

**A:** We know you have interests outside of work, and we encourage those interests. However, these interests should not conflict with your HYDRAULIC TECHNOLOGIES responsibilities, and HYDRAULIC TECHNOLOGIES resources should be used only for company business. Using the copier and handing out flyers during your work hours would present a conflict of interest.





## We Avoid Conflicts of Interest

We avoid conflicts of interest by putting HYDRAULIC TECHNOLOGIES goals and customer interests before personal gain. Doing so helps us make objective decisions that benefit our business.

We always act with integrity in avoiding, disclosing, and resolving conflicts of interest by:

- ❖ Using our best judgment to make choices for our business without being influenced by personal interests
- ❖ Avoiding the appearance of a conflict of interest and improper conduct
- ❖ Being aware of when our personal activities or relationships could interfere with decisions we make for HYDRAULIC TECHNOLOGIES
- ❖ Disclosing any possible conflicts of interest such as interests in companies doing business or competing with HYDRAULIC TECHNOLOGIES
- ❖ Seeking advice if we are unsure whether a conflict of interest exists
- ❖ Supporting the outcome of any decision on how to resolve a conflict of interest

## KEY POINT

**We must disclose potential conflicts to our manager or Human Resources.** They will determine whether a situation constitutes an actual conflict of interest and offer a solution to resolve any conflict.

## WHAT'S A CONFLICT OF INTEREST?

A conflict of interest exists whenever our personal interests, activities, investments, or associations influence, or appear to influence, our responsibilities as HYDRAULIC TECHNOLOGIES employees. A conflict of interest may arise when one takes actions or has interests that may make it difficult to perform their work objectively and effectively. Examples include:

- Holding an undisclosed personal or family interest or investment in a supplier, customer, or competitor to HYDRAULIC TECHNOLOGIES
- Managing, supervising, or hiring a family member
- Using proprietary information or contacts acquired on the job for personal gain
- Competing with HYDRAULIC TECHNOLOGIES or financially investing in competitors
- Pursuing outside activities or jobs if they interfere with HYDRAULIC TECHNOLOGIES responsibilities

**Q:** My father works in sales for a company that makes the same type of components that HYDRAULIC TECHNOLOGIES uses. His company is extremely reliable, and its work is high quality. Can I issue a purchase order for the components?

**A:** This represents a potential conflict of interest. Since a family member stands to benefit from the sale with HYDRAULIC TECHNOLOGIES, you cannot objectively act in the best interest of HYDRAULIC TECHNOLOGIES. The decision to purchase components from your father's company must be made by someone else. Inform your manager of the opportunity to source components from this company so someone else can make the decision whether to do business with it. If the decision-maker chooses to go forward with the business relationship, you cannot have any involvement with resulting transactions, including purchasing decisions, contractual terms, evaluating performance, or authorizing payments.

**Q:** A vendor I've been working with sent me four tickets for a local football game. Is it okay if I go?

**A:** That depends. You should report the gift to your manager and seek guidance on whether it's appropriate to accept the gift. To maintain our reputation, we must avoid even the appearance of improper influences, so it might be necessary for you to return the tickets.

## We Are Vigilant in Safeguarding Intellectual Property and Company Information

We maintain HYDRAULIC TECHNOLOGIES intellectual property and company information securely by using appropriate safeguards with regard to storage, transmittal, and disclosure both within HYDRAULIC TECHNOLOGIES and externally with others. We also uphold and protect the intellectual property and commercial rights of others as we would expect them to protect ours. Copying someone else's intellectual property without permission is unethical, illegal, and could create financial and legal liability for HYDRAULIC TECHNOLOGIES.

We fulfill our commitment to intellectual property by:

- ❖ Adhering to HYDRAULIC TECHNOLOGIES policy relating to the handling of intellectual property and company information
- ❖ Never taking company information when leaving employment with HYDRAULIC TECHNOLOGIES
- ❖ Never using third parties' protected works when not authorized to do so
- ❖ Using only software for which we have a license for business use, even on employee-owned devices
- ❖ Never infringing on the copyrights, patents, trademarks, trade secrets, names, design rights, logos, know-how, or other intangible property belonging to another person or company
- ❖ Using all third-party assets—including software, music, videos, and text-based content—according to their specific license terms
- ❖ Following all applicable intellectual property laws





**Q:** I am leaving HYDRAULIC TECHNOLOGIES. Is it okay for me to download the work that I created during my employment to take with me?

**A:** No, all work products that you created while employed with HYDRAULIC TECHNOLOGIES belong to the company. Taking confidential or proprietary information from HYDRAULIC TECHNOLOGIES can result in criminal prosecution.

### **We Are Careful When Communicating with Investors, Analysts, and the Media**

We win together by acting as a united company. We speak with one voice when communicating with the media, financial analysts, investors, and the general public.

We provide accurate, complete, and clear information when communicating with outside interests by:

- ❖ Politely and professionally directing all media inquiries to those who are best prepared to deal with them
- ❖ Never sharing our opinion or divulging information about HYDRAULIC TECHNOLOGIES, our customers, or our business partners

### **We Are Committed to Product Safety and Quality**

We all share the responsibility for the safety and quality of our products and services. Our reputation and success depend on our refusal to compromise our standards.

We strive to make high-quality, safe products by:

- ❖ Ensuring that quality and consumer safety are our top priorities
- ❖ Immediately reporting any product quality or safety issue or concern
- ❖ Never bypassing quality controls or taking shortcuts that compromise our products





**Q:** I know we're supposed to follow the procedures for manufacturing our products, but I have an idea that will cut several steps and save the company both time and money. Can I test my idea to see if it will work?

**A:** No. Our manufacturing process is designed to ensure quality and consumer safety. Some of the steps are required by safety laws and regulations. We are open to improving efficiencies, so we encourage you to discuss your idea with your supervisor.

### **We Comply with International Trade Laws**

As a global company, we are responsible for working fairly throughout the world. We comply with all applicable laws that govern international trade.

We always act with integrity and meet our obligations around the world by:

- ❖ Learning country regulations before marketing or distributing anything across international borders
- ❖ Following HYDRAULIC TECHNOLOGIES policies and procedures designed to address trade regulations
- ❖ Never marketing, selling, or providing services to businesses or individuals that are on embargo or sanction lists
- ❖ Adhering to HYDRAULIC TECHNOLOGIES' export authorization procedures prior to shipping or transporting any item across international borders
- ❖ Reporting any requests by customers, suppliers, or others for HYDRAULIC TECHNOLOGIES to participate in a boycott





## FOLLOWING INTERNATIONAL TRADE LAWS HELPS MAKE THE WORLD SAFER

We do business around the world and, therefore, must follow international trade laws. These laws can affect our ability to sell and export our products and import raw materials. In addition, governments and international organizations may impose trade restrictions for specific places, organizations, and individuals for reasons of national security. These limits can include trade embargoes or boycotts, travel bans, freezing of assets, and bans on cash or technology transfers. Violating import and export restrictions, trade sanctions, and boycotts can result in severe fines, loss of permits, or even imprisonment. By following these regulations, we protect HYDRAULIC TECHNOLOGIES, and we do our part to make the world a safer place.

**Q:** I'm just about to close a deal with a new client. This client is based in a country that has a reputation of supporting terrorism, so my manager has asked the client to wait to sign the contract until we perform due diligence. But I'm worried about the delay. It might be sending the wrong message to our prospective client, and I want to start building a good relationship with the client. What should I do?

**A:** Any new client can pose the risk of violating international trade sanctions. Therefore, we have to wait before entering into a contract. Even though it may take a little longer to get the client on board, it is important we take this step to do what's right and to protect the company. Building good relationships with our clients is critical, but those relationships must be built on trust. Performing due diligence can help us build that strong foundation of trust.

**Q:** I understand that U.S. trade sanctions prohibit sales to certain countries. But my business is not located in the United States. So U.S. trade sanctions do not apply to me, correct?

**A:** In some cases, U.S. trade sanctions apply to non-U.S. HYDRAULIC TECHNOLOGIES businesses and employees. In other cases, they do not apply. U.S. trade sanctions are complex and their application depends on each situation. It is important that you obtain guidance from the Legal Department before engaging in a transaction with a country, company, or person that might be subject to U.S. trade sanctions.

## INTEGRITY ALWAYS FOR OUR COMMUNITIES

### We Grow and Sustain Our Communities

We are passionate about supporting the communities where we live and work. We go further by helping to address broader challenges in the countries where we operate.

We enhance our local communities and society in general by:

- ❖ Volunteering and participating in charitable activities in our communities around the world
- ❖ Obtaining proper approval before donating HYDRAULIC TECHNOLOGIES funds or making contributions in the company's name
- ❖ Never pressuring others to contribute to charitable organizations or other community activities



**Q:** I am running a 5K to raise money to fight leukemia. As a manager of the department, is it appropriate for me to ask my direct reports to race on my team or to donate money?

**A:** No. Since you are a department manager, the people you supervise may feel pressure to race or donate. They may feel that their jobs will be impacted if they say no.

### We Protect Our Environment

We embrace our responsibility for minimizing the environmental impact of our operations. We continuously improve product sustainability and carefully manage our manufacturing processes.

We strive to achieve sustainability goals by:

- ❖ Following all applicable environmental laws and HYDRAULIC TECHNOLOGIES policies and sustainability commitments
- ❖ Being responsible for the validity of all data collected, analyses performed, or plans developed





- ❖ Reducing consumption of resources through waste management strategies that promote waste minimization reuse, recovery, and recycling, as appropriate
- ❖ Incorporating energy efficiency measures into our facility operations and promoting efficient energy use in all aspects of business
- ❖ Reporting any spills, leaks, or accidental discharges

## We Responsibly Engage in the Political Process

We support employees' active participation in the political process during their personal time, which can make a positive difference in our lives and our communities. HYDRAULIC TECHNOLOGIES, however, does not contribute to political parties, committees, or candidates.

We maintain our integrity in the political process by:

- ❖ Supporting every employee's right to participate actively in the political process
- ❖ Ensuring that any political activity is conducted on personal time and does not use company resources
- ❖ Never trying to "buy influence" from local or government officials
- ❖ Notifying Human Resources if you are elected or appointed to a political office.

**Q:** Can I direct HYDRAULIC TECHNOLOGIES funds to a political candidate whose positions favor the company's business?

**A:** No. To support a diverse workforce with employees that hold a variety of different political views, HYDRAULIC TECHNOLOGIES does not take political positions.

**Q:** Can I run for a local political office while I am a HYDRAULIC TECHNOLOGIES employee?

**A:** Certainly, you can run for office or take other leadership roles in the community while working for HYDRAULIC TECHNOLOGIES. If you decide to run for political office (or are appointed to a political office) please be sure to notify HYDRAULIC TECHNOLOGIES' Human Resources. Please also make sure that you do not undertake campaign-related activities during work hours or use company resources (computers, e-mail, copy machines) to support your campaign.



## We Exercise Care when Using Social Media

We embrace the power of social media to build connections and express ourselves. We are also careful not to share information or opinions that could hurt our company.

We use social media responsibly by:

- ❖ Remembering that online exchanges can be taken out of context, distorted, or misunderstood
- ❖ Using our time on social media responsibly so that it does not interfere with work commitments
- ❖ Never disclosing sensitive information or representing our personal views as those of HYDRAULIC TECHNOLOGIES
- ❖ Never disclosing the confidential or proprietary information of HYDRAULIC TECHNOLOGIES, our customers, business partners, or competitors

Social media includes any website or forum that allows for communication on the Internet, including:

- Social networking sites such as LinkedIn and Facebook
- Microblogging sites such as Twitter
- Blogs of all kinds, including official HYDRAULIC TECHNOLOGIES and personal ones
- Online encyclopedias such as Wikipedia
- Video-sharing and photo-sharing websites such as YouTube, Snapchat, or Instagram



**Q:** I'm so excited because I was a key player in obtaining a huge contract for HYDRAULIC TECHNOLOGIES and I want to tell my friends and family about it. Am I allowed to post a Facebook status about my involvement in winning the contract?

**A:** We support celebrating our achievements, but you are not allowed to discuss HYDRAULIC TECHNOLOGIES business on social media before the company has announced it publicly. Posting nonpublic information, also known as inside information, could harm HYDRAULIC TECHNOLOGIES and create a legal problem for you.