



POLICY: Anti-Bribery and Corruption Policy	EMPLOYMENT
APPROVED BY: <u>Taylor Made Golf, Inc. HQ - Carlsbad</u> CHIEF COMPLIANCE OFFICER, LEGAL DEPARTMENT, AND GLOBAL HUMAN RESOURCES	REVISED: October 2018

1. **Objective.** This policy establishes TaylorMade’s global policy regarding the prevention of bribery and corruption. “TaylorMade” means, collectively, Taylor Made Golf TaylorMade, Inc., and its subsidiaries and affiliates worldwide.
2. **Summary.** In general, follow the TaylorMade’s simple rule: do not bribe anyone, whether a public or private individual or company, anytime, for any reason. Avoid the possibility that gifts, meals and entertainment or other courtesies are perceived as a bribe by making them infrequently and of very modest value. If in doubt, contact the TaylorMade legal department at tm_compliance@taylormadegolf.com.
3. **Definition of Terms.**

<i>Bribe/Bribery</i>	A bribe is an improper inducement or reward offered, promised, authorized, or provided in order to gain any commercial, contractual, regulatory, or personal advantage. Bribery is the offering, promising, giving, authorizing, accepting, or soliciting of “anything of value” as an inducement for an official or private action or decision.
<i>Corruption</i>	The misuse of an official office or power or a breach of trust, whether in government or the private sector, for personal gain.
<i>Employee</i>	All TaylorMade directors, officers, employees, temporary employees, and interns.
<i>Facilitation Payment</i>	See Section 6 of this policy.
<i>Gift</i>	Something given legally without obligation.
<i>Kickback</i>	The return of a sum already paid or due as a reward for awarding of further business.
<i>Public Official</i>	Any person holding (or candidate therefor) a legislative, executive, public, administrative, or judicial office, whether appointed or elected, whether permanent or temporary, paid or unpaid, irrespective of that person’s seniority; a political party; employees of state-owned or controlled enterprises and any official exercising a public function; and any official or agent of a public international organization.
<i>Representative</i>	Suppliers, distributors, consultants, contractors, and other persons or entities working with, or on behalf of, TaylorMade.

<i>Third Party(ies)</i>	All natural persons or legal entities not party to a contract or involved in a particular situation. It includes, but is not limited to, agents, sponsors, suppliers, or any subcontractors.
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4. **Scope.** The policy applies to all TaylorMade Employees and Representatives, who are required to read, understand, abide by and apply this policy. In addition, TaylorMade managers are required to enforce this policy and ensure that reports understand, adhere to, and apply this policy.
5. **Policy Statement.** TaylorMade operates in a wide range of legal and business environments, including overseas. Many of these environments pose challenges to our ability to conduct our business operations with integrity. However, as a company, we conduct ourselves according to the highest standards of ethical conduct. In all of our dealings, we seek to avoid even the appearance of impropriety in the actions of our Employees and Representatives.

Accordingly, this policy reiterates our commitment to integrity, and, in addition, explains the specific requirements and prohibitions applicable to our operations under several anti-corruption and anti-bribery laws, including, but not limited to, the laws of the United States, other countries and state laws, including California. While the laws differ in their specific prohibitions, generally at least both of the following are prohibited: (i) Bribery of public officials or those with close ties to public officials in order to gain a business advantage and (ii) private commercial Bribery between companies. Penalties can include not only fines, but potential imprisonment. TaylorMade strictly prohibits all forms of Corruption and Bribery, whether explicitly illegal or not, and will take all necessary steps to ensure that corruption and bribery do not occur in its business activities.

Bribery is a criminal and civil offense and clearly violates TaylorMade values. TaylorMade has zero tolerance towards Bribery, regardless of the identity or position of the originator or receiver of the Bribe. Taylor Made Employees and Representatives are prohibited from paying, offering, promising, or authorizing the payment of money or anything of value, directly or indirectly, to any Public Official, or officer or employee of a public international organization (such as the United Nations or the World Bank) for the purpose of influencing any official act or decision or to secure an improper advantage in order to obtain or retain business. This policy applies equally to Third Parties with whom TaylorMade does business and in relation to TaylorMade business, or who are retained by TaylorMade to perform services or deliver business for and on our behalf.

TaylorMade does not and will not pay Bribes, or promise, offer, or authorize the payment of anything of value as an improper inducement to anyone for any purpose, nor do we or will we accept Bribes or improper inducements or anything that could be perceived as such and we have similar expectations for our Third Parties. No TaylorMade Employee or Representative shall engage in any conduct that gives the appearance of giving, offering, promising, authorizing, soliciting, or accepting a Bribe, including Facilitation Payments.

Failure to adhere to the requirements set out in this policy may lead to employment consequences, up to and including termination of employment.

5. **'Anything of Value'.**

Bribery does not have to involve payments of cash. Bribery may involve "other things of value" offered, promised, authorized, or provided, directly or indirectly, even where what is offered has only symbolic value. Examples of other things of value include:

- Gifts
 - Product or discount coupons
 - Passes to a private club
 - A no-bid contract or procurement that is non-compliant with TaylorMade's procurement policy
 - Access to meet Public Officials or business leaders
 - Charitable or political donations
 - Business or investment opportunities
 - Employment
 - An internship for a family member
 - Travel or entertainment
 - Tickets to sought-after sporting or entertainment events
 - Sexual favors
 - Overpaying for purchases
6. **Facilitation Payments.** A Facilitation Payment is a payment (usually of a small or nominal sum) to a Public Official that is intended to inappropriately secure or speed up a routine government action, including: visa processing, scheduling an inspection, securing mail pick-up or delivery, or getting utilities connected.

No TaylorMade Employee or Representative is permitted to pay a Facilitation Payment, even if it is requested by a Public Official. In such situation, the concerned TaylorMade Employee or Representative should refer the Public Official to TaylorMade internal policies to justify his/her refusal to pay. Any requests made to TaylorMade Employees or Representatives for Facilitation Payments should be communicated to TaylorMade Legal at tm_compliance@taylormadegolf.com.

7. **Dealing with Third Parties (Agents, Distributors, Suppliers).**
- **Procurement Process:** TaylorMade Representatives must adhere to TaylorMade's Procurement policy and to the system of internal controls around Third Party selection. Third Parties should never be selected based on receipt of a gift, entertainment, or payment. When vendor selection is a formal, structured invitation for the supply of products or services (often called a "Request for Proposal" (RFP)), you must maintain documentation that evidences your compliance with our internal processes. In some countries, an RFP process may also be required and determined in detail by law to ensure that such competition for the use of public money is open, fair, and free from Corruption. Please review the TaylorMade Procurement Policy.
 - **Third Parties:** A payment of a Bribe by a Third Party for the benefit of TaylorMade has the same effect as if TaylorMade made the Bribe directly. Third Parties include any individual or organization you come into contact with during the course of your work.
 - **Due Diligence of Third Parties:** It is a requirement that we know our business partners and who we are doing business with before entering into a binding agreement. This includes understanding the way they conduct business for us and ensuring that they conduct business in a way that reflects TaylorMade's values.

To ensure the above, preliminary checks will be performed on each Third Party related to its reputation and its capability to fulfill its contractual obligations. The TaylorMade employee running these checks will vary by department (e.g. a Sourcing Department Employee will run

Third Party due diligence checks on product manufacturers).

Red-flags shall be immediately raised by, in this case of TaylorMade Employees, to the attention of TaylorMade HR, and in the case of Representatives, to his/her primary business contact at TaylorMade. Red flags may include Third Parties who/that:

- Engage in, or have been accused of engaging in, improper business practices;
- Have a reputation for paying Bribes, or require that Bribes are paid to them, or have a reputation for having a “special relationship” with Public Officials;
- Insist on receiving a commission or fee payment before committing to sign up to a contract with TaylorMade, particularly where this may involve carrying out interactions with Public Officials or an official process.
- Request payments in cash and/or refuse to sign a formal commission or fee agreement, to off-shore bank accounts, or provide an invoice or receipt for a payment made.
- Lack experience or technical qualifications for the engagement;
- Refuse to provide information reasonably necessary for selection or management of the engagement;
- Excessive or unusual requests for change orders or contract amendments;
- Offer entertainment or Gifts before commencing or continuing contractual negotiations or provision of services;
- Request payment to “overlook” potential legal violations;
- Request employment or some other advantage to a friend or a relative in return for a commercial, contractual, regulatory, or personal advantage from TaylorMade;
- Use non-standard invoices;
- Insist on using side letters or refuse to put agreed terms in writing;
- Have supplied invoices for a commission or fee payment that does not reflect an appropriate value given the service offering; or
- Request or require the use of an agent, intermediary, consultant, distributor, or supplier that is not typically used by or known to TaylorMade.

8. **Promotional Contracts and Sponsorships.** Promotional contracts and sponsorships are an important part of TaylorMade’s marketing strategy. Processes governing the awarding of contracts and licenses must be strictly respected by all TaylorMade Employees and Representatives, and by Third Parties acting on behalf of TaylorMade. Promotional contracts and sponsorships must:

- Be made in accordance with an approved budget;
- Must not involve cash or equivalent payments or payments to a party other than the beneficiary entity or individual;
- Not be used to obtain any dishonest advantage for TaylorMade or to service any dishonest person;
- Must always take place in a transparent manner (documentation must include receiver identity, purposes, reasons for sponsorship/donation); and
- Must not damage TaylorMade’s image or reputation.

9. **Record Keeping.** To prevent Bribery from being hidden by incomplete or false documentation, many anti-bribery and corruption laws have criteria for books, records, and internal financial controls. TaylorMade is required to maintain accurate financial records reflecting TaylorMade’s transactions and assets. This includes properly recording the purpose of expenses and maintaining underlying documents (such as invoices and receipts) justifying expenses. TaylorMade must have appropriate internal controls in place that evidence the business reason for making payments to Third Parties.

10. **Reporting Allegations of Bribery and Corruption.** Any TaylorMade Employee who witnesses or suspects a violation of this policy should report it to HR or to the Fairway Hotline by calling (800) 461-9330 or by submitting an incident report at www.taylormadegolf.com/fairwayhotline, where a full list of global numbers is also available. This may be done confidentially and anonymously. Once reported the case will be recorded and diligently investigated. TaylorMade Employees have an obligation to cooperate with HR and Compliance Management. Failure to do so could result in employment consequences.

11. **Non-Retaliation.** TaylorMade will not retaliate against anyone who, in good faith, reports a concern or cooperates with a compliance investigation. Managers or others who retaliate against any TaylorMade Employee will be subject to employment consequences, up to and including termination. Any suspected retaliation should be reported immediately.

12. **Sanctions and Penalties.** Violations or the perception of violations of anti-Bribery and corruption laws can result in criminal, civil, and regulatory penalties to TaylorMade and any individuals involved, including fines and/or terms of imprisonment, as well as damage TaylorMade's reputation. If a TaylorMade Employee violates anti-Bribery and corruption laws or this policy, then they will be subject to employment consequences, up to and including termination. TaylorMade may also hold its Representatives liable for any material damage TaylorMade may suffer as a result of a breach of this policy and may terminate its contractual relationship in accordance with the terms of said contract. Compliance with TaylorMade policies is also required. Deviations or non-compliance with this policy, including attempts to circumvent the stated policy-process by bypassing or knowingly manipulating the process, system, or data may result in employment consequences, up to and including termination.

13. **Policy Contact.** Any TaylorMade Employee who has any questions about this policy should contact TaylorMade Legal at tm_compliance@taylormadegolf.com.

14. **Further Background.** This policy takes into account a number of laws, some of which are summarized below:

(a) The United States Foreign Corrupt Practices Act of 1977 ("FCPA"). The FCPA is a federal criminal statute that prohibits improper payments to government officials to influence performance of their official duties. It makes it unlawful for any U.S. company and its employees or agents to offer, promise, pay or authorize the payment of "anything of value" to any "foreign official" – a term that is very broadly defined – to help the company obtain or keep business or secure some other "improper business advantage." This prohibition applies whether the offer or payment is made directly or through another person.

In addition to prohibiting improper payments to foreign officials, the FCPA requires U.S. companies and their controlled affiliates to keep accurate books and records of the transactions in which they engage and to maintain a system of internal controls that, among other things, can prevent "slush funds" and "off-the-books" accounts that might be used to facilitate or conceal questionable foreign payments. FCPA accounting requirements apply to all business activities, not just those involving foreign officials.

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 TaylorMade's disciplinary policies (including termination), individuals who violate the FCPA may also be subject to imprisonment and fines.

(b) The United Kingdom Bribery Act. Because TaylorMade has an office in the UK, TaylorMade is also subject to the UK Bribery Act. This Act covers even more types of activities than does the FCPA. Activities both within and outside the UK are subject to the act's prohibitions. Unlike the FCPA, both the giving and receiving of bribes is prohibited by the UK act, including where non-governmental officials are involved, and, unlike the FCPA, failing to prevent bribery is also an offence.

(c) Other International Laws. Aside from the FCPA and the UK Bribery Act, TaylorMade may also be subject to other non-US anti-corruption laws, in addition to the local laws of nearly all of the countries in which TaylorMade conducts business, including, for example, Canada's Corruption of Foreign Public Officials Act and its criminal codes prohibiting bribery of Canadian public officials and China's Anti-Unfair Competition Law, which includes private commercial bribery.

(d) State Laws. All U.S. states also have laws that prohibit bribery. In California, for example, payments of more than \$250 made to improperly influence conduct anywhere in the world between any two persons, including private commercial parties, is punishable by imprisonment for between sixteen months to three years. The US Justice Department can also prosecute violations of state laws for acts committed overseas by claiming violations of the US Travel Act, which prohibits use of the mail, email, internet, etc. to commit unlawful acts, which includes violating state acts.

I have received and read a copy of the TaylorMade Anti-Bribery and Corruption Policy and understand its contents. I understand that TaylorMade expressly reserves the right to change, modify, or delete its provisions without notice.

NAME

DATE