

# Corporate Governance

Code of Conduct – Transform Holdco LLC

## TABLE OF CONTENTS

- I. [INTRODUCTION](#)
- II. [GENERAL](#)
- III. [POLICIES](#)
  - [ACCOUNTING AND REPORTING PRACTICES](#)
  - [ANTITRUST](#)
  - [CHARITABLE CONTRIBUTIONS AND POLITICAL ACTIVITIES](#)
  - [BRIBERY AND CORRUPTION](#)
  - [COMMUNICATIONS](#)
  - [CONFIDENTIAL INFORMATION AND PRIVACY](#)
  - [CONFLICTS OF INTEREST / PERSONAL BENEFITS](#)
  - [CUSTOMS AND IMPORT](#)
  - [ENVIRONMENTAL LAWS](#)
  - [FRAUD](#)
  - [GOVERNMENT CONTRACTS](#)
  - [HUMAN RIGHTS](#)
  - [INTELLECTUAL PROPERTY](#)
  - [PHARMACY COMPLIANCE](#)
  - [PRODUCT SAFETY](#)
  - [SECURITIES LAWS AND INSIDER TRADING](#)
  - [USE AND PROTECTION OF COMPANY ASSETS](#)
  - [VENDOR SAMPLES](#)
  - [VENDOR STANDARDS](#)
  - [WORKPLACE](#)
- IV. [REPORTING PROCEDURES](#)
- V. [SENSITIVE INVESTIGATIONS COMMITTEE](#)

## I. INTRODUCTION

Transform Holdco LLC (“Transform” or “Company”) values honesty, integrity and adherence to the highest ethical standards. As associates, each of us has a responsibility for upholding these values and maintaining a commitment to basic principles of business ethics and good judgment. As part of this commitment, Transform has instituted a series of policies and procedures to reaffirm its dedication to the highest ethical standards.

Attached is the Transform Code of Conduct. The Code applies to all officers and associates of the Company and its wholly-owned subsidiaries, including Transform SR LLC, Transform KM LLC and their subsidiaries. As such, it applies to associates at Sears and Kmart stores, Sears Home Services, Sears Auto Center, Shop Your Way, Monark, Innovel, Kenmore, DieHard and all other Company businesses. The Code embodies our values and sets forth the principles to guide our behavior. It is important for each of us to fully understand these principles and to commit ourselves to them in all our business activities. It is up to each of us to ensure that all of our business relationships are conducted with integrity and honesty and reflect the letter and spirit of the Code. A good starting point is to act with integrity in everything you do. If you would be ashamed to have your friends and family read about what you are about to do at work today in tomorrow morning’s newspaper, then don’t do it.

This Code of Conduct reflects our values and defines the common sense behaviors required of all of us to ensure that Transform maintains legal and ethical business practices.

We believe abiding by the Code will make Transform a better, more profitable company.

Leena Munjal  
Rob Riecker  
Gregory Ladley  
Office of the Chief Executive

## II. GENERAL<sup>1</sup>

- **SCOPE; RESPONSIBILITIES.** The Code of Conduct is at the essence of the Company's management philosophy and provides an overview of standards of behavior applicable to all Transform associates. It is not, however, an exhaustive statement of Transform policies and procedures, and does not address every potential scenario. When faced with questions beyond those addressed in the Code of Conduct, associates are expected to follow both the spirit and letter of the Code and Company policies and procedures that govern the issue. In reading this Code and Transform's policies it is important to remember that we as Transform associates have a duty to do the right thing under all circumstances, and this includes avoiding all situations that have even the appearance of impropriety. Taken together, the Code of Conduct and Company policies and procedures set forth the requirements for responsible behavior. Transform's management, customers, business partners, regulators and equity holders expect all Company associates to observe these high standards, to comply with laws and regulations, and to use good judgment in situations where rules may not clearly define the appropriate course of action.
- **ADDITIONAL RESPONSIBILITY FOR MANAGERS.** Transform's managers are expected to exemplify the highest standards of ethical business conduct. Pursuant to Transform's open door policy, managers are intended to promote open discussion of ethical and legal implications of business decisions. Managers have a responsibility to create and sustain a work environment in which associates, contractors, and vendors know that ethical, legal behavior is expected. This responsibility includes ensuring that the Code of Conduct is communicated to those associates, contractors, and vendors working for or with the manager. It also means managers are responsible for ensuring that subordinates are properly trained and familiar with policies required to do their jobs.
- **ACKNOWLEDGEMENT.** Associates acknowledge their understanding and agreement to comply with the Code of Conduct upon commencement of employment. Upon request, associates also periodically re-affirm their agreement to comply with the Code of Conduct.
- **DISCIPLINARY ACTION.** The Company will enforce compliance with the Code of Conduct and all Company policies and procedures through appropriate disciplinary action up to and including termination of employment and legal action. Adequate Company discipline of individuals responsible for an offense is a necessary component of enforcement. The appropriate form of discipline by the Company will be case-specific

---

<sup>1</sup> This Code is not a contract of employment, and does not create any contractual rights between you and Transform Holdco LLC or any of its subsidiaries. Employment at Transform is on an "at-will" basis. This means that you can terminate your employment whenever you wish, for any reason, just as Transform may terminate your employment at any time, with or without notice, with or without cause.

and fairly applied. A few examples of conduct that may result in discipline include: (i) violation of the law or Company policy, including requesting or directing others to violate the law or Company policy; (ii) failure to report a known or suspected violation of Company policy; (iii) failure to cooperate in an investigation of possible violations of Company policy; (iv) retaliation against another associate for reporting a concern or violation; (v) intentional false reporting of another associate; (vi) failure to monitor and oversee compliance with Company policies and applicable law by subordinates effectively; and (vii) unauthorized disclosure of confidential information relating to Transform or Transform associates (if the confidential information relating to Transform associates was obtained in violation of law or lawful Company policy), vendors or customers.

- **QUESTIONS.** If you have any questions about the Code of Conduct, a Transform policy, or any suspected improper conduct, you have an obligation as an associate to contact and discuss the matter with your supervisor or department manager, an officer, a Human Resources representative, or the Office of Compliance and Ethics. If you raise a concern with one of these contacts and the issue is not resolved, you should raise it with one of the other contacts.

---

Where local country laws contain requirements that conflict with this Code, those requirements apply for associates working in those countries.

This Code supersedes all other policies, procedures, instructions, practices, rules or verbal representations of Transform to the extent they are inconsistent. However, after consultation with and approval of the Office of Compliance and Ethics, individual business units may adopt procedures that are more restrictive than this Code.

### **III. POLICIES**

---

#### **ACCOUNTING AND REPORTING PRACTICES**

---

Transform and its associates must follow generally accepted accounting principles and maintain appropriate control policies and procedures. The law requires accurate and reliable business records; accordingly, all assets, liabilities, income and expenses shall be correctly identified and accurately recorded in the appropriate corporate books of account. False or misleading entries or exclusions are unlawful and are not permitted. Management and internal and independent

auditors and examiners must be given access to all information necessary for them to conduct appropriate reviews.

Issues regarding accounting, internal accounting controls, and auditing matters should be directed to the Ethics Hotline at 1-800-8ASSIST.

---

## **ANTITRUST**

---

Transform is subject to complex antitrust laws designed to preserve competition among enterprises and to protect consumers from unfair business arrangements and practices. You are expected to comply with these laws at all times. Many situations create the potential for unlawful anti-competitive conduct and should be avoided. These include, for example:

- **COMMUNICATIONS WITH COMPETITORS.** Associates may not discuss with competitors any Company pricing, plans, or other competitive marketing information, including relationships with our vendors. Additionally, associates may not make any agreements, directly or indirectly, with a competitor regarding price, terms, conditions of sale, boycotts, or market allocation.
- **COMMUNICATIONS WITH VENDORS.** Transform encourages regular communication with our vendors, indeed, such communication is a necessity. However, associates may not make any agreements, directly or indirectly, with any vendors on the retail price of a product. While vendors may suggest retail pricing, the actual pricing on our merchandise is solely Transform's decision.

The monetary fines for antitrust violations can be high, and the cost to Transform's reputation even higher. If you have any questions about potential antitrust implications, consult with Transform's Law Department.

---

## **CHARITABLE CONTRIBUTIONS AND POLITICAL ACTIVITIES**

---

Transform encourages our associates to become involved in community activities and charitable organizations. However, no associate may bring undue pressure on another associate to contribute to a charitable organization. Transform respects the rights of our associates to participate in the political process. Indeed, engaging in the process builds a stronger community and a better political system. However, you must at all times make clear that your views and actions are your own, and not those of Transform. Additionally, associates may not use Company time or resources to support personal political activities or use their position to coerce or pressure associates to make contributions or support a candidate or political cause.

---

## BRIBERY AND CORRUPTION

---

Transform takes a zero-tolerance approach to all forms of bribery and corruption, including commercial bribery as well as bribery of government officials. You are expected to conduct business at all times in an honest and ethical manner, in full compliance with all anti-bribery and corruption laws and regulations, including the Foreign Corrupt Practices Act, the U.K. Bribery Act as well as all applicable laws where Transform operates. It is a violation of the Code of Conduct as well as the Anti-Bribery and Anti-Corruption Policy to: (i) offer, promise, pay, approve, request, receive or agree to receive, directly or indirectly, any kickback or bribe, including money or its equivalent, gifts, favors, personal services, travel or accommodation, samples for personal use, or anything of value, to or from any person or entity, or from their agents or representatives, for the purposes of obtaining or retaining business or for any improper business purpose; or to (ii) fail to accurately maintain Transform books and records or follow internal Transform accounting or other internal controls. Transform further prohibits any activity that creates the appearance of improper conduct or could create an impression of bribery or corrupt business practices.

---

## COMMUNICATIONS

---

- **WITH GOVERNMENTAL AGENCIES.** Transform regularly and routinely cooperates with all governmental agencies, including requests for information and facility visits. Transform's Law Department will represent the Company in such situations and will determine what information is appropriate to supply to investigators. If you are contacted by any governmental agency seeking to enter or review the Company's property or seeking the Company's position on or response to any complaint, allegation, or investigation, then you should contact the Law Department immediately for assistance.
- **WITH THE MEDIA.** To ensure consistent, accurate delivery of Company information, associates are not authorized to answer questions from the media on the Company's behalf. If approached by the media with requests for such information, you should refer the person making the request to Transform's Media Relations Department.
- **WITH VENDORS.** Transform encourages regular communication with our vendors. However, a Transform associate should not provide any information to a vendor that could advantage the vendor in negotiating terms of its relationship with Transform. If you are involved in proposals, bid preparations or contract negotiations, be certain that all statements, communications and representations you make are accurate and truthful. Make sure all relationships with vendors and suppliers are conducted at arms-length and are based on objective criteria, fairness and the best interest of Transform. Information

regarding a competitive bidding process which is not formally communicated to all vendors involved in the bidding (such as where a vendor's proposal stands relative to other bidders or what changes would have to be made to the vendor's proposal for the vendor to be awarded the business) should never be disclosed to a vendor.

- **WITH EACH OTHER AND THE PUBLIC.** Each associate is responsible for maintaining professionalism when communicating with each other and the public. You can enhance or injure Transform's image with every written, verbal or electronic communication. Transform associates should not engage in communications that are distasteful, obscene or defamatory.

---

## **CONFIDENTIAL INFORMATION AND PRIVACY**

---

While working at Transform, and after you cease employment with Transform, you must protect confidential, non-public information that you obtain or create for Transform. You must take precautionary measures to prevent unauthorized disclosures of confidential information. This includes ensuring that access to work areas and computers is properly controlled, and refraining from discussions of sensitive matters in public places, such as elevators, hallways, restaurants, restrooms, etc.

You must not disclose Transform proprietary or confidential information to anyone not authorized to receive it or with no need to know the information. Not disclosing proprietary or confidential information means not communicating the information by any means including, without limitation, orally, in writing, or electronically (e.g., in person or via telephone, mail, fax, email, Internet "chat rooms," posting to community bulletin boards, or otherwise). In addition to the foregoing, you are also prohibited from using any proprietary or confidential information for any unauthorized purpose, including for your own personal gain.

- **TRANSFORM INFORMATION.** By way of illustration, Transform confidential and proprietary information includes: (i) any Transform system, information, or process; (ii) any non-public information about Transform's operations, results, strategies or projections; (iii) any non-public information about Transform's business plans, business processes, or vendor relationships; and (iv) any non-public information about Transform's technology systems.
- **ASSOCIATE INFORMATION.** Transform will comply with all applicable laws and regulations regarding the privacy of associate information, including the privacy of associate medical information.
- **PRIOR EMPLOYER INFORMATION.** Transform recognizes that its associates may have had access to a prior employer's confidential or proprietary information. All associates must respect the confidential nature of that information and not disclose it in connection with your employment at Transform. Notwithstanding the foregoing,

information you learned as part of your prior employment with Sears Holdings Corporation or one of its subsidiaries may be used for the benefit of Transform.

- **VENDOR INFORMATION.** Our vendors are our business partners. In addition to being obligated to not disclose non-public Transform information to our vendors, you must also respect the confidentiality of any non-public proprietary information given to you by a vendor. For example, you may not share pricing data among competing vendors.
- **CUSTOMER INFORMATION.** Transform respects the privacy of our customers. You must maintain the confidentiality and privacy of all personal, nonpublic information of our customers in accordance with all applicable laws, including customer financial information and medical information, and, as associates, you are expected to employ all necessary physical, electronic and procedural safeguards to ensure such compliance.
- **COMPETITIVE INFORMATION.** Transform is involved in a very competitive business and we are always looking for a competitive edge, but we are committed to obtaining that competitive edge in an honest and ethical manner. Transform associates shall not collect competitive information in an unethical or illegal manner and will not deal with vendors who attempt to use such inappropriately gathered information as an incentive to gain our business.

---

## CONFLICTS OF INTEREST / PERSONAL BENEFITS

---

As an associate, you must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your or any other associate's ability to act in the best interest of Transform. Because it is impossible to describe every potential conflict, Transform relies on your commitment to exercise sound judgment, to seek advice when appropriate, and to adhere to the highest ethical standards in the conduct of your personal and professional affairs.

- **GIFTS, MEALS, ENTERTAINMENT.** Except as expressly permitted below, associates may not accept gifts or the conveyance of anything of more than nominal value, including entertainment such as tickets to sporting events, from a vendor (as used in the Code of Conduct, "vendor" means a current or prospective vendor and includes vendors of merchandise, supplies, equipment, software or any other commodity, consultants and service providers, and any other type of entity or organization that Transform may transact business with) absent pre-approval of your manager and the Chief Compliance Officer.

*You must never accept a gift under any circumstances and regardless of value if it could appear to others that your business judgment has been compromised. Similarly, you must not allow a family member, close friend or other person with whom you have a close personal relationship to accept gifts, services, or preferential treatment from any vendor in exchange for a past, current, or future business relationship with Transform.*



Gifts *You must never request or encourage a vendor to provide a gift, regardless of value.* In situations where it is customary or conducive to maintaining good business relationships, it is permissible to accept infrequent, non-cash gifts of *nominal value (no more than \$50)* which have been offered by a vendor. Transform associates should return non-perishable gifts valued over \$50 and donate perishable gifts to a charitable organization or share them with other associates.

Business meals Although it is common to conduct business over lunch or dinner, you must use good judgment when allowing a vendor to pay for a meal. *Reasonable business meals at which the giver is present are permissible if occasional rather than frequent and the value of the meal is appropriate to the circumstances.* Avoid lavish or excessive meals where acceptance could create the impression of favoritism.

Business entertainment Transform associates may accept occasional offers of business-related entertainment, including tickets to a sporting event or concert if (1) the giver will be present, (2) the value of the ticket is no greater than \$250 (not to exceed \$500 annually from any one vendor), and (3) business will be discussed at the event.

Accepting tickets valued at greater than \$250, or tickets to highly sought-after events where the actual value of the ticket is much greater than the printed or face value, is not permissible absent pre-approval of your manager and the Chief Compliance Officer. Examples of such “big ticket” events where pre-approval is required include the Super Bowl, the World Series, the Masters, the Stanley Cup Finals and any playoffs leading up to any of the foregoing events.

If any of the criteria for accepting business entertainment is not met, the entertainment is considered a gift and is subject to the \$50 gift limit and other above-stated requirements.

For additional information on the Gifts, Meals, and Entertainment Policy, please also review the Gift Policy posted to Transform’s intranet.

- **TRAVEL, CONFERENCES.** Unless approved by the Chief Compliance Officer, travel or lodging should not be paid for by a vendor. If you are offered travel or lodging from a vendor and (1) it is not for entertainment or recreational purposes and (2) you believe there are valid business reasons for accepting such offer, you must first obtain the approval of your manager and then request approval from the Office of Compliance and Ethics. The request for approval must come from your manager, evidencing his or her approval of the request, and must include your name and position at Transform, the nature of the travel and lodging and your business reason for wanting to accept the offer. The request to accept the accommodations will be approved or denied by the Chief Compliance and Officer.
- **FAMILY / FRIENDS.** A conflict of interest may arise if you have a family member, close friend or other person with whom you have a close personal relationship who is employed by, or has an interest in, a vendor. Family members include siblings, parents,

children, spouses, and in-laws, and may also include other family members depending upon the nature of the relationship.

If you have a family member, close friend or other person with whom you have a close personal relationship who has an interest in or is employed by a competitor or a vendor, you are required to disclose the nature of the relationship to your area's Senior Vice President and the Office of Compliance and Ethics. If you are at all unsure as to whether a conflict of interest exists due to a business relationship involving any such person, you should discuss the relationship with your supervisor and the Office of Compliance and Ethics to determine the best course of action.

- **OUTSIDE EMPLOYMENT.** Transform prohibits all salaried associates and all hourly associates with management responsibilities from working for or receiving payment from any vendor or competitor of Transform. A conflict of interest may also arise if an associate's outside employment activities are so demanding that they interfere with the associate's responsibilities to Transform. In no event should an associate be engaged in other employment activities on Company time or while using Company resources. A full-time associate must disclose any outside employment to his/her supervisor, and if the supervisor has any questions he/she should contact the Office of Compliance and Ethics for guidance.
- **FORMER ASSOCIATES.** Unless you have received written approval from your area's Senior Vice President and the Office of Compliance and Ethics, you should not engage in any Transform-related business with a former Transform, Sears Holdings Corporation, Kmart, or Sears associate for at least twelve months following the date the former associate ceases employment with Transform or SHC.
- **DISCLOSURE.** The best way to avoid an embarrassing—or even a job threatening—situation is to disclose any situation that may have the potential to be misinterpreted by others. If you have any questions about an actual or potential conflict of interest, including the appropriateness of accepting a gift or invitation, you should discuss the matter with your supervisor and the Office of Compliance and Ethics.

---

## CUSTOMS AND IMPORT

---

U.S. laws govern Transform's conduct regarding international trade. Several U.S. laws restrict or prohibit trade with certain countries. You are expected to comply with all U.S. export restrictions, as well as applicable export control laws of each country in which Transform business is conducted.

---

## **ENVIRONMENTAL LAWS**

---

Transform is committed to being an environmentally responsible corporate citizen. You are expected to comply with or exceed all applicable laws and regulations related to the environment in each of our facilities. We encourage associates to minimize the impact of the Company's business operations on the environment with methods that are socially responsible and economically sound.

---

## **FRAUD**

---

It is the policy of Transform to comply with the law and to maintain accurate records of Company business. All associates are responsible for recognizing and reporting fraud, falsification of records, or other irregularities. Managers should become familiar with the types of irregularities that might occur in their area of responsibility and must establish standards and procedures designed to prevent and detect irregularities.

Fraud applies to any irregularity or suspected irregularity related to Company business and involving associates, vendors, or persons providing service or materials to the Company. Irregularities include, but are not limited to, the following:

- Forgery or alteration of any document
- Misappropriation, destruction, or disappearance of funds, inventory, supplies or other Company assets, whether tangible or intangible
- Impropriety in the handling or reporting of financial transactions
- False, fictitious, or misleading entries or reports
- False or misleading statements to those conducting investigation of irregularities

Associates must immediately report any suspected irregularity or act of fraud to the Ethics Hotline or the Office of Compliance and Ethics. The Company's ability to investigate and remediate fraud successfully depends on prompt and confidential reporting. If you suspect fraud, do not discuss the matter with any of the individuals involved, do not attempt to investigate or determine facts on your own, and do not discuss your suspicions with anyone unless specifically directed or authorized to do so by a member of the investigations team.

All investigations under the Code of Conduct, including those regarding allegations of fraud or other irregularities, will be under the direction of the Office of Compliance and Ethics, which will coordinate with the Law Department, Human Resources and the affected area(s), as necessary and appropriate.

Associates must cooperate with any investigation and provide accurate and truthful information. Depending on the circumstances, an associate may be asked to keep aspects of the investigation confidential. If so, the associate is expected to comply with such instructions.

---

## **GOVERNMENT CONTRACTS**

---

Special rules and regulations apply to companies conducting business with the government. Before engaging in any sales to federal or state governmental agencies or entering into any other business relationship with these agencies, you must consult with and obtain the approval of the Law Department.

---

## **HUMAN RIGHTS**

---

Transform is committed to respecting the human rights of all people involved in its business and in all aspects of its supply chain. As such, Transform is committed to working with and encouraging all of our partners to uphold the principles as described in the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work in order to prevent and mitigate adverse human rights impacts resulting from our business activities. We also place special value on our ongoing collaboration with a broad range of interested constituencies, including socially responsible investors, industry and peer groups, governmental, inter-governmental and non-governmental organizations, advocacy groups, and concerned individuals.

This Human Rights Policy is intended as an informational resource regarding Transform's policies with respect to these matters for all of our stakeholders – customers, associates, equity holders, and community and government leaders.

---

## **INTELLECTUAL PROPERTY**

---

Transform owns all inventions, discoveries, ideas, trade secrets, and original works of authorship that an associate conceives or develops either alone or jointly with others during the course of employment or using Company resources. As an associate, you agree to help the Company document Transform's ownership of this intellectual property, which includes: (i) promptly and completely communicating to Transform management your conception or development of its intellectual property; (ii) maintaining current and appropriate notes, sketches, and other records thereof; (iii) assigning to Transform all right, title, and interest in such intellectual property; and (iv) performing all acts and, on request, executing all necessary and appropriate documents to

enable Transform to obtain all right, title, and interest in and to such intellectual property and whatever other legal protection Transform deems appropriate.

Transform has the sole right to determine the terms and conditions of any disposition of its intellectual property, which may be made with or without monetary compensation, and you have no right to share in any monetary compensation or other receipts resulting from the intellectual property.

---

## **PHARMACY COMPLIANCE**

---

Transform is committed to improving the lives of our members by providing quality healthcare services, products, and solutions at our Kmart Pharmacies. Our associates play a crucial role in this highly-regulated industry by ensuring our Pharmacy operations are conducted in compliance with all applicable laws, regulations and Transform policies. Accordingly, Transform provides specialized training to all Kmart Pharmacy associates on a variety of Pharmacy compliance topics, including protecting private member information, preventing fraud, waste and abuse of government healthcare program resources, and dispensing and preventing diversion of controlled substances. If any Transform associate has specific questions on our Pharmacy compliance obligations, or would like to report a concern relating to Pharmacy compliance, he/she should contact Transform's Office of Compliance for guidance.

---

## **PRODUCT SAFETY**

---

Transform is committed to offering quality, safe products, including our food offerings. We require our vendors to warrant that products sold to Transform will comply with all applicable laws. Strict compliance with the Company's food storage and handling, facility maintenance and other related procedures collectively constituting Transform's Food Safety Policy is mandatory. The Company may be subject to monetary penalties, costly litigation, and negative publicity for violating product safety laws. If you see or suspect any product safety violations, you should immediately report it to ensure that unsafe products are removed from sale to the Law Department or email: [productsafety@searshc.com](mailto:productsafety@searshc.com).

---

## **SECURITIES LAWS AND INSIDER TRADING**

---

All associates are required to comply with the federal laws and the Code of Conduct regarding the disclosure and use of material non-public information. It is illegal to trade in securities based on inside information. While Transform's securities are not publicly traded, material non-public information may include information about other companies that you receive in the course of

your employment. Examples of inside information include news about a supplier, customer or vendor's financial results before they are formally released, planned actions regarding a supplier, customer or vendor's stock, and unannounced senior management changes of a supplier, customer or vendor. Anyone who possesses material non-public information about a company and who buys or sells stock or other equity securities of that company or who "tips" another investor, may be liable for damages, civil and criminal penalties and may also be subject to disciplinary action by Transform. Contact the Transform General Counsel if you have any doubts about the information you use to help make buying or selling decisions.

---

## **USE AND PROTECTION OF COMPANY ASSETS**

---

During the course of employment with Transform, associates are entrusted with numerous assets belonging to the Company. These assets include not only cash and financial assets, but also computers, telephones, supplies, inventory, and other equipment and technology belonging to Transform. These assets are intended for Company business use, and you have a responsibility to protect these assets. Personal use is generally prohibited. Any act involving fraud, theft, embezzlement or misappropriation of Company assets is strictly prohibited. Company assets such as computers, email, and telephone systems may be monitored by the Company to promote quality control and confirm appropriate use.

If separated from the Company, you agree to return to Transform all Company property at the time of separation, including laptops, pagers, cell phones and other mobile devices, and any other Company property.

Outdated, excess, or otherwise unneeded assets of Transform (e.g., supplies, fixtures, equipment, etc.) are the property of Transform and may not be disposed of without permission from Loss Prevention. Associates may not directly or indirectly purchase such assets unless for sale at a designated selling location.

Transform has a detailed Document Retention Policy. Document retention applies not only to printed correspondence, but also to electronic correspondence. If you have any questions, please refer to the Document Retention Policy or the Law Department.

---

## **VENDOR SAMPLES**

---

Samples of merchandise from vendors that are not returned to the vendor are the property of Transform. Under no circumstances may an associate accept, keep, or purchase a sample directly from a vendor. All samples must be disposed of through a sales location designated by the Company or, if not saleable, either given as a charitable donation to a charity designated by the

Company under the supervision of Loss Prevention or destroyed as designated by Loss Prevention.

---

## **VENDOR STANDARDS**

---

Transform is committed to doing business with vendors who conduct business ethically and legally. Transform vendors are expected to sign Transform's Vendor Code of Conduct. Transform may terminate its business relationship with any vendor refusing to sign or comply with Transform's Vendor Code of Conduct.

---

## **WORKPLACE**

---

- **FAIR EMPLOYMENT PRACTICES AND DIVERSITY.** Transform is fully committed to equal employment opportunity and compliance with the letter and spirit of the full range of fair employment practices and nondiscrimination laws, including all wage and hour laws. Transform prohibits any "off the clock" work, and strictly forbids conduct by associates that may encourage the inaccurate recording of time. In addition, we believe that diversity is critical to our success. Transform seeks to hire, develop and retain the most talented individuals from a diverse candidate pool.
- **HARASSMENT.** Transform associates have the right to work in an environment free from unlawful discrimination or harassment, whether committed by or against a co-worker, supervisor, customer, vendor or visitor. Harassment, whether based on a person's gender, sexual orientation, gender identity, race, color, ethnicity, religion, national origin, citizenship status, veteran status, ancestry, age, pregnancy, disability, genetic information, marital status or any other reason prohibited by law is repugnant and completely inconsistent with Transform's commitment to provide a respectful, professional and dignified workplace. Unlawful discrimination in any area of employment, including hiring, advancement, compensation, discipline, and termination, will not be tolerated. Transform prohibits retaliation against applicants and associates for filing a good faith complaint or assisting in an investigation under federal, state or local employment discrimination laws. Transform also prohibits any associate from making any claim known by that associate to be false.
- **SAFE AND HEALTHY WORKPLACE.** To meet our responsibilities to associates, customers, and investors, Transform must maintain a healthy and productive workplace. Associates must report all safety concerns or accidents no matter how slight the problem. Violence or the threat of violence will not be tolerated, whether committed by or against a co-worker, supervisor, customer, vendor or visitor. Misusing controlled substances or

selling, manufacturing, distributing, possessing, using or being under the influence of alcohol or illegal substances on the job is absolutely prohibited.

#### **IV. REPORTING PROCEDURES**

Maintaining ethical standards is the responsibility and obligation of every Transform associate. Early identification and resolution of conflict of interest and other ethical issues that may arise are critical to maintaining our commitments to our customers, vendors, investors, and to ourselves and our co-workers. Transform associates are expected to treat compliance with ethical standards as a critical element of their responsibilities. While this Code of Conduct sets forth a wide range of practices and procedures, it cannot address every issue that may arise. If you are unsure of what to do in a situation, you should seek additional guidance and information before you act. If something seems unethical or improper, or if you have questions regarding the best course of action, you should promptly contact any of the following:

- Your supervisor, department manager or any Transform officer
- Your Human Resources Representative
- The Office of Compliance and Ethics
- Chief Compliance Officer  
3333 Beverly Road, B6  
Hoffman Estates, IL 60179
- The Transform Business Ethics Hotline [1-800-8ASSIST]

The Hotline is operated by specially trained third-party representatives. The Hotline is available 24 hours a day, 7 days a week. Hotline representatives will listen to your concerns, ask questions, and review the information provided. They will then forward your concern to the Office of Compliance and Ethics, which will take appropriate action.

It is against Company policy to retaliate against any associate who raises a concern in good faith and, if requested and to the extent possible, every effort will be made to maintain confidentiality. All reported violations will be acted on appropriately. If your concern requires an investigation, the Company will respond promptly. If possible, you will be informed about the status of the investigation and the outcome of the matter. However, Transform has an obligation of confidentiality to all associates, including those being investigated.



## V. SENSITIVE INVESTIGATIONS COMMITTEE

A Sensitive Complaint is a complaint containing allegations that:

- Concern improprieties in accounting, auditing, financial record keeping or internal accounting controls
- Involve conduct of officers;
- Have realistic potential to cause significant financial, legal or regulatory consequences for Transform;
- Might reasonably result in significant adverse publicity;
- Involve the systematic violation of customer trust; or
- Concern systemic criminal conduct not otherwise covered by one of the above categories.

Any person who has or receives a complaint that he or she believes may reasonably be a Sensitive Complaint should forward that complaint immediately to the Office of Compliance and Ethics in a manner that clearly identifies the matter as a potential Sensitive Complaint.

1. The Sensitive Investigations Committee shall consist of the Chief Compliance Officer, the Chief Human Resources Officer, the General Counsel, Chief Financial Officer and such persons' designees.
2. Oversight of Sensitive Investigations: The Sensitive Investigations Committee shall review all Sensitive Complaints and shall initiate and oversee investigations of Sensitive Complaints. The Sensitive Investigations Committee shall determine the necessity of investigations on a case-by-case basis.
  1. The Sensitive Investigations Committee shall have the authority to direct Transform internal resources (e.g., Internal Audit, Corporate Investigations, Law Department) to conduct such investigations. The Sensitive Investigations Committee shall also have the authority to direct the Law Department or outside counsel to engage outside resources to conduct an investigation whenever the Sensitive Investigations Committee determines a conflict of interest exists in using a Transform internal resource, or the nature of the investigation requires outside expertise or perspective.
  2. The Sensitive Investigations Committee shall report to the Audit Committee of the Board of Directors the existence of any Sensitive Complaint regarding accounting, internal accounting controls or auditing matters, and shall keep the audit committee informed of the progress and results of the investigations of such matters.

3. A member of the Sensitive Investigations Committee who is implicated in connection with a Sensitive Complaint shall recuse himself or herself from involvement in the investigation.

The law and Transform policy require that the Sensitive Investigations Committee conduct effective investigations of Sensitive Complaints. The Sensitive Investigations Committee shall keep a complainant's identity confidential except where disclosure is required to conduct an effective investigation. Transform shall not retaliate against any individual who in good faith submits a Sensitive Complaint or participates in a Sensitive Investigation.

Rev. 07/01/2019