

Transform SR Holding Management LLC

Code of Vendor Conduct

I. Introduction

Transform Holdco LLC and all of its subsidiaries (referred to individually and collectively as “TransformCo”) are committed to conducting business in accordance with the highest ethical standards and in compliance with all applicable laws. TransformCo expects the same commitments from each of its vendors. For that reason, Transform SR Holding Management LLC has issued this Code of Vendor Conduct on behalf of TransformCo.

TransformCo conducts business with vendors in many countries with different legal, ethical, and cultural systems and beliefs. This Code describes the minimum standards of conduct that TransformCo insists that its vendors, regardless of their country of domicile or origin, comply with scrupulously and without exception as a condition to doing business with TransformCo. This Code is mandatory, and if a vendor does not comply with it, TransformCo may terminate immediately its business relationship with the vendor and take any other action TransformCo may deem appropriate under the circumstances. If this Code establishes a standard of legal or business-ethics conduct that is higher than local legal or business-ethics requirements, this Code will always apply to vendors that desire to do business with TransformCo.

Each Vendor shall provide training about this Code to all of its employees who will conduct business with TransformCo.

When we refer to “vendors” in this Code, we mean each business enterprise, regardless of its form (such as a corporation or company, partnership, or sole proprietorship), that engages or participates, directly or indirectly, in the sale, consignment, or other provision of goods or services to TransformCo. “Vendors” includes agents, subcontractors, and other third parties, and vendors cannot avoid the responsibilities and obligations imposed by this Code by using, or associating with, agents, subcontractors, or other third parties. When we refer to “applicable” law in this Code, we mean the law, including regulations, judicial decrees, and other governmental actions that have the force of law, in effect at each location where a vendor conducts operations with respect to, or that affect, the vendor’s business with TransformCo.

II. Vendor Requirements

A. No Improper Influence. Vendors shall not attempt to influence a TransformCo associate, agent, or representative (each a “**TransformCo Representative**”) with respect to any business arrangement through bribery, kickbacks, favors, gifts, sporting or entertainment events, offers of future employment, or similar conduct. This prohibition means that vendors shall not engage in an action if it is intended to improperly influence, or could create the appearance of improperly influencing, a TransformCo Representative. This prohibition extends to the relatives of a TransformCo Representative and to each other

person with whom a TransformCo Representative has a significant personal relationship. A vendor's cash payment, or the vendor's giving of a non-cash item with a value over \$50, to a TransformCo Representative for personal use will violate this prohibition.

B. No Conflicts of Interest. Vendors shall not enter into any relationship with a TransformCo Representative that creates, or reasonably could be expected to create, an actual or a potential conflict of interest for the TransformCo Representative. For purposes of this Code, a conflict of interest arises, or reasonably could be expected to arise, when a material personal interest of the TransformCo Representative is inconsistent with, or adverse to, the TransformCo Representative's responsibilities to TransformCo. Vendors shall not assign its employee, agent, or representative to conduct business with a TransformCo Representative if the assigned employee, agent, or representative was employed by TransformCo within the preceding twelve months.

C. No Unfair Business Practices. Vendors shall not engage in bid collusion or customer or market allocation with other TransformCo vendors. Vendors shall comply with all applicable antitrust, trade-regulation, and competition laws.

D. No Unauthorized Activities. Vendors shall not engage in any activity on behalf of TransformCo, including without limitation projects, transactions, political contributions, charitable donations, lobbying, and appearances before government entities, officials, and representatives.

E. Confidentiality. Vendors may have access to TransformCo's confidential (non-public) information, such as historical sales results, sales projections, customer and member information, associate information and agreed pricing for merchandise or services offered or sold to TransformCo. Vendors shall hold this confidential information in the strictest confidence and shall not (except as required by law) disclose it to anyone without TransformCo's approval, and then only on a need-to-know basis. TransformCo retains exclusive ownership of its confidential information. Vendors shall not buy or sell TransformCo's equity or debt securities based on, or otherwise take advantage of, material, non-public information relating to TransformCo or its businesses.

F. TransformCo Code of Conduct. Vendors shall familiarize themselves with, and support, the TransformCo [Code of Conduct](#) and the obligations and responsibilities of TransformCo associates under the Code of Conduct. Vendors shall not take any action, or refrain from taking any action, that the vendor reasonably could expect would result in, or would facilitate or assist the commission of, a violation by a TransformCo associate of the Code of Conduct or any other relevant TransformCo Policies.

G. Other Compliance. Vendors shall comply with all other TransformCo policies, processes, and procedures applicable to vendors, including without limitation TransformCo's [Global Compliance Program for Merchandise Vendors and Factories](#) a (which applies only to merchandise vendors) and travel, communication, and bidding policies, processes, and procedures. Vendors shall not attempt to subvert TransformCo's procurement policies, processes, or procedures, including without limitation by making unauthorized contact with TransformCo Representatives. Vendors shall comply with all other laws applicable to its business with TransformCo, including without limitation the U.S. Foreign Corrupt Practices Act.

III. Reporting of Violations

It is TransformCo's clear expectation that all vendors promptly will report suspected violations of this Code, the TransformCo Code of Conduct, and the TransformCo Vendor Allowances Policy. Vendors may do so confidentially and, where possible, anonymously, by contacting TransformCo's Ethics Hotline at 1 (800) 827-7478 or via e-mail at compliance@searshc.com.

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