StanleyBlack&Decker

Business Conduct Guidelines

October 2014

Dear Associate,

Stanley Black & Decker started doing business more than 170 years ago and quickly established a reputation for integrity in its dealings. Now that we have grown to be a large business enterprise, it is appropriate to reemphasize this commitment which has been ours for more than 170 years.

The central message of this booklet is that our actions must conform to two of the Company's Leadership Qualities:

> **Integrity**: We will conduct all of our dealings with suppliers, customers, fellow associates and everybody else with integrity and plain old-fashioned honesty.
>
> **Respect**: In our dealings with all people inside and outside the Company, we will treat them with dignity and respect.

Please read this booklet carefully. By necessity, it contains mainly general principles, however, its underlying theme is absolutely fundamental — our Company's people do business only in accordance with the highest ethical and legal standards.

If you learn of wrongdoing or unethical behavior, you are required to take the initiative to do something about it. If you are an employee, assistance will be available from your supervisor or from the general manager of your business unit. **We must all remember that to participate in, to condone, or to ignore any questionable behavior is to be part of it.**

If, for any reason, you are uncomfortable with these channels of communication, contact our ombudsman (Bruce Beatt, General Counsel, Legal Department), or me. Our telephone number at World Headquarters is (860) 225-5111, and Bruce can be reached at (800) 424-2987 (extension 53822). Your comments, which can be anonymous, will be treated in the strictest confidence. You will not suffer retribution or punishment for reporting violations.

John F. Lundgren

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INTRODUCTION

This booklet has been prepared to enable you to understand Company policy on business conduct. In this booklet "Company" refers to Stanley Black & Decker, Inc. and its subsidiaries and divisions throughout the world.

Much of the booklet outlines legal requirements. It is impractical to cover in a single booklet all the significant legal requirements of each country in which the Company does business. Because the Company is a United States corporation, many U.S. laws apply to all of our operations and employees worldwide, so particular attention has been directed to these legal requirements. In addition, on June 27, 2000 the 29 member countries of the Organization for Economic Co-operation and Development together with Argentina, Brazil, Chile and the Slovak Republic adopted the OECD Guidelines for Multinational Enterprises. These Guidelines embody many of the principles contained both in our Business Conduct Guidelines as well as in the U.S. legal requirements described in this booklet.

Every employee, officer and director of the Company has a responsibility to read and understand these Guidelines. **Employment at the Company is dependent on compliance with these Guidelines. Compliance includes a duty to report any violation of the Guidelines. Any failure of compliance will result in discipline, including termination in appropriate circumstances**. **Disciplinary action will be taken not only against individuals who authorize or participate directly in a violation of the Guidelines but also against the violator's managerial supervisor, to the extent that the circumstances of the violation reflect inadequate supervision and leadership by the superior.** If you have questions or are uncertain as to a proper course of action, please contact your supervisor or the Legal Department.

For those of you who are **managers,** you have the **additional responsibility** of making sure that all employees and agents reporting to you adhere to the Business Conduct Guidelines. This supervisory responsibility for compliance rests on your shoulders, and cannot be delegated.

Any violation of the Guidelines by a director or executive officer will be reported to the Company's Board of Directors. Any waiver of the requirements of the Guidelines for executive officers or directors may only be made by the Company's Board of Directors and must be promptly reported to the Company's shareholders.

No book of rules can provide all the answers. You are responsible for your actions, and this responsibility will not always be an easy one. The next time you have an ethical dilemma, you might try this test. Ask yourself: If the full glare of examination by newspapers, associates, friends or family were to focus on your decision, would you remain comfortable with it? If you think you would, it probably is the right decision.

Officers, directors, and certain levels of management personnel will report in writing annually to the Company's General Counsel on their compliance with these Guidelines and their knowledge of compliance by others.

I. COMPANY POLICY CONCERNING BUSINESS CONDUCT

Here are the principles of business conduct to which each employee, officer and director is expected to adhere in order to assure that the Company conducts itself in a manner consistent with its obligations to its shareholders and to society:

1. **LOYALTY TO THE COMPANY** — Employees, officers and directors owe a duty of loyalty to the Company and should advance its legitimate interests when the opportunity to do so arises. Employees, officers and directors are prohibited from (a) taking for themselves personally opportunities that are discovered through the use of corporate property, information or position; (b) using corporate property, information, or position for personal gain; and (c) competing with the Company.

2. **COMPLIANCE WITH ALL APPLICABLE LAWS** — While we must compete vigorously to optimize our return to our shareholders, we must always do so in strict compliance with all laws and regulations applicable to our activities. No employee, officer or director should at any time take any action on behalf of the Company that he or she knows or reasonably should know violates any applicable law or regulation, nor should any employee, officer or director encourage another (for example, a supplier, a customer or another employee, officer or director) to take any such action. These Guidelines outline basic requirements of laws relating to accurate documentation, inside information and securities, antitrust, international boycotts, U.S. federal, state and local government contracts and certain other matters. These laws are specifically mentioned because of their particular importance to our business activities. It should be understood, however, that this policy is not limited to them, but extends to all applicable laws and regulations.

3. **OBSERVANCE OF MORAL AND ETHICAL STANDARDS OF SOCIETY** — In addition to these requirements of loyalty to the Company and compliance with law, each employee, officer and director must adhere to and comply with the moral and ethical standards of society in the conduct of business. The Company's interests never can be served by individual corner-cutting in the interests of a seeming quick profit or temporary advantage.

II. CONFLICT OF INTEREST

A "conflict of interest" occurs when an individual's private interest interferes in any way – or even appears to interfere – with the interests of the Company as a whole. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her company work objectively and effectively. Conflicts of interest also arise when an employee, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the company.

Disclosures of personal interests or of other circumstances which might or might be thought to constitute conflicts of interest are to be made promptly by the employee, officer or director to the Company's General Counsel. Such disclosures will be held in confidence to the fullest extent consistent with the circumstances. In the event a conflict is found to be present, arrangement will be made for resolution in a manner best suited to the interests of the Company and the individual. It is essential to keep in mind that when an individual confronts a possible conflict of interest, prompt and full disclosure is the correct first step towards solving the problem.

The attached Supplement sets forth additional requirements for those involved in the procurement of goods and services.

COMMON SOURCES OF CONFLICTS. With respect to employees, conflicts of interest generally arise in four situations.

1. When an employee, a member of his or her family or a close personal relation of the employee has a significant direct or indirect financial interest in, or obligation to, an actual or potential competitor, supplier or customer;

2. When an employee conducts business on behalf of his or her company with a supplier or customer of which a member of his or her family or a close personal relation of the employee is a principal, officer or representative;

3. When an employee, a member of his or her family or a close personal relation of the employee directly or indirectly accepts gifts of more than token or nominal value from an actual or potential competitor, supplier or customer;

4. When an employee also serves as an employee or agent of another employer under circumstances detrimental to his or her company.

A "close personal relation of an employee" is any person whose relationship is so close and of such an intimate nature that it may reasonably be expected to decrease the employee's ability to consistently exercise objective and unbiased business judgment.

III. BRIBERY, POLITICAL CONTRIBUTIONS, ACCURATE DOCUMENTATION AND TAXES

1. Bribery is the giving of money or anything else of value in an attempt to influence unlawfully the action of a public official, supplier or customer. No employee, officer or director should pay, offer or authorize any bribe or make any other unlawful payment on behalf of the Company, no matter how small the amount.

Specific laws prohibit bribery and the offering or giving of gratuities in connection with U.S. Government and state and local government contracts. See Section XII of these Guidelines for the Company's policies regarding United States Federal, State and Local Government Contracts.

The Company's operations outside the United States involve to some degree contact with representatives from foreign governments on issues ranging from governmental purchases, the issuance of permits or obtaining authorization for certain activities. Any involvement with foreign governments implicates the U.S. Foreign Corrupt Practices Act and the Anti-Bribery and Fair Competition Act of 1998, and may implicate anti-bribery laws adopted by other countries, such as the U.K. Bribery Act of 2010.

The U.S. Foreign Corrupt Practices Act prohibits payments or offers of anything of value by a U.S. company or any person acting on its behalf (including non-U.S. subsidiaries and employees) to any foreign official, foreign political party or party official or candidate for foreign political office, for the purpose of inducing the foreign official, candidate or political party to exert influence to assist the company in obtaining or retaining business. "Obtaining or retaining business" has been interpreted broadly, effectively covering any payment in which there is a connection to a company's business (whether or not it relates to obtaining a contract) if the payment or offer has the effect of influencing an official act or decision, securing an improper advantage, or inducing an official to act (or not to act) in violation of his or her official duties.

The prohibition on such payments extends to payments or offers to consultants, agents or other intermediaries (including family members of foreign officials or agents) when the payor knows or has reason to know that some part of the payment or "fee" will be used for a bribe or otherwise to influence the acts of any foreign official or his or her government. Employees who are responsible for approving and managing relationships with agents, representatives or consultants are expected to be familiar with these concerns and to follow the policies issued by the Company regarding the screening of such parties before engaging them to act on the Company's behalf and during the course of the engagement.

The International Anti-Bribery Act broadens certain provisions of the Foreign Corrupt Practices Act. First, it applies to any person or entity (not just U.S. companies) so long as the offense is committed, in whole or in part, within the United States. Second, it prohibits payments to officials of international organizations to obtain or retain business and it prohibits payments to obtain any other improper advantage in the conduct of international business.

U.S. law permits facilitating payments in small amounts to minor governmental officials outside the United States to obtain performance of non-discretionary functions or services which they are obliged to perform as part of their governmental responsibilities but which there is strong reason to believe they may refuse or delay unless compensated. Any facilitating payments, prior to being made or within ten days after being made, require notice to your business unit controller or regional controller, as applicable.

While facilitating payments may be permissible under U.S. law, they may violate the laws of the United Kingdom. Persons resident in the U.K., or employed by or otherwise supporting any of our U.K. businesses, should be particularly wary of making or authorizing any such payments, and should seek guidance from Corinne Herzog, VP Legal - Europe, whenever such a payment is contemplated.

2. Payment (other than for purchase of a product) or giving of a gift of other than token or nominal value to suppliers or customers or their agents, employees or fiduciaries may constitute a commercial bribe, which may also be a violation of law. Commercial bribery is also against the policy of the Company; and no employee, officer or director may engage in such bribery on behalf of the Company.

3. In the United States and in some other countries it is unlawful for political contributions to be made by corporations, whether by the direct or indirect use of corporate funds. In those countries such contributions by employees, officers and directors must not be made, or even appear to be made, with the Company's funds, or be reimbursed from the Company's funds; nor should the selection of a candidate or of a party be, or seem to be, coerced or influenced by the Company. Where political contributions by corporations are legal, they should be made only if approved in advance by the Chief Executive Officer of Stanley Black & Decker, Inc. and they must not be treated as expenses for tax purposes unless the law clearly permits such deductions to be taken.

4. All reporting and record keeping — whether sales results, expenses incurred, equal opportunity efforts or other information — should be accurate and timely and should be a fair representation of all the facts. Data should not be organized in any way to mislead or misinform the reader. All of the Company's documents should show the details of the transaction reflected therein and that the transaction was properly authorized, and the Company's financial procedures should be followed in the preparation of all documents.

5. It is the policy of the Company to obey both foreign and domestic tax laws and foreign exchange control laws. No employee, officer or director should enter into any transaction on behalf of the Company which he or she knows or reasonably should know would violate such laws.

IV. CONFIDENTIALITY OF INFORMATION AND TRADING IN SECURITIES

Employees, officers and directors should maintain the confidentiality of information entrusted to them by the Company, its customers and its vendors, except when disclosure is authorized or legally mandated. This includes personal information collected by the Company in the course of its business, such as social security numbers and credit card numbers, which should always be treated as confidential information and, except as required by law, should not be shared with anyone (including other employees of the Company) who does not need such information in order to perform to his or her obligations to the Company. Until released to the public, information concerning Company plans, customer and vendor relations, new product introductions, marketing plans and Company, customer and vendor successes and failures is considered "inside" information and is proprietary to the Company and confidential. Any person who uses inside information for personal benefit in any way whatsoever (including trading in Company, customer or vendor shares) or who discloses it to persons other than those within the Company whose positions require them to know it, violates the Company's interests. The "inside" information in anyone's possession is "material" if it is important enough to affect the decision of that person or anyone else to buy, sell or hold Company, customer or vendor securities. Examples of "material" information include advance knowledge of earnings, sales figures, dividend actions, a new product or discovery, contract awards, and mergers or acquisitions. Anyone possessing "material" "inside" information who trades in Company, customer or vendor securities commits a fraud not only against the Company but also against members of the investing public who suffer by trading without the benefit of the confidential information the "insider" possesses.

Several rigidly enforced U.S. laws and regulations are intended to prevent misuse of corporate information by regulating the manner in which securities may be bought or sold. Directors, executive officers and certain employees are not permitted to trade in Company securities without reviewing the proposed transaction with the Company's General Counsel and receiving an opinion that the proposed transaction is legal.

V. HEDGING AND PLEDGING OF COMPANY STOCK

Hedging Transactions. Certain forms of hedging or monetization transactions, such as prepaid variable forward contracts, equity swaps, collars, and exchange funds allow an officer, director or employee to lock in much of the value of his or her stock holdings, often in exchange for all or part of the potential for upside appreciation in the stock. These transactions allow the officer, director or employee to continue to own the covered securities, but without the full risks and rewards of ownership. When that occurs, the officer, director or employee may no longer have the same objectives as the Company's other shareholders. For this reason, officers, directors and employees are prohibited from entering into hedging or monetization transactions involving Company stock.

Margin Accounts and Pledges. Securities held in a margin account may be sold by the broker without the customer's consent if the customer fails to meet a margin call. Similarly, securities pledged (or hypothecated) as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. Because a margin sale or foreclosure sale may occur at a time when the pledgor is aware of material nonpublic information or otherwise is not permitted to trade in Company securities, directors, officers and other employees are prohibited from holding Company securities in a margin account or pledging Company securities as collateral for a loan. An exception to this prohibition may be granted where a person wishes to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrates the financial capacity to repay the loan without resort to the pledged securities. Any person who wishes to pledge Company securities as collateral for a loan must submit a request for approval to the General Counsel at least two weeks prior to the proposed execution of documents evidencing the proposed pledge.

VI. COMPLIANCE WITH ENVIRONMENTAL, HEALTH and SAFETY LAWS

The Company recognizes its obligation to carry out all of its activities in ways that preserve and promote a clean, safe and healthful environment and protect the health and safety of its employees. It is the policy of the Company to endeavor to ensure that all of its employees, officers, directors and agents comply strictly with the letter and spirit of applicable environmental, health and safety ("EH&S") laws and the public policies they represent. The Company will promote compliance with this policy through vigilant self-monitoring and the education, encouragement and, where necessary, discipline of employees at all levels.

The Company prohibits, without exception, the entry of information known to be false on any governmental form, on any monitoring report, or in response to any request for information from any governmental agency. Tampering with or dilution of samples, or otherwise providing false information about the results of sampling, as well as the intentional failure to follow permit conditions or applicable protocols for collecting, sampling, testing, analyzing, or recording of EH&S data are also strictly prohibited. Additionally, bypassing any environmental control (except in accordance with an applicable law or permit) or monitoring device is strictly prohibited.

All employees must immediately report any spill or other unpermitted release of a hazardous substance to their supervisor, the plant manager or the Company's Corporate EH&S Director. Any necessary report to governmental authorities of a spill or release will be made by the Company's EH&S staff within statutory or regulatory deadlines, after consultation with the Company's General Counsel.

Every employee must be trained to perform work safely. All employees are responsible for knowing and following the safety practices described to them. Should an employee feel inadequately trained to perform a certain task, he or she must immediately discuss the concern with his or her supervisor.

VII. HARASSMENT

The Company's policy is to provide a workplace free from harassment. The Company will not tolerate any type of harassment - including sexual harassment or harassment based on gender, race, ethnicity, national origin, religion or sexual preference.

The term "workplace" as used in these Guidelines includes not only the physical office. It also includes any place where you are conducting Company business or are traveling on Company business as well as any Internet Web Sites that are related to the Company, whether or not Company sponsored. Harassing conduct that occurs on a Company related website or through Company e-mail will be treated in the same manner as similar conduct in the physical workplace. Employees are prohibited from uploading, downloading, transmitting or printing materials that are sexual, pornographic, racist, defamatory or offensive to certain legally protected groups.

In addition, it is the responsibility of all employees to ensure that their conduct in the workplace allows others to work in an atmosphere free from sexual harassment. Employees are required to report all incidents of sexual harassment immediately and without fear of retaliation to their supervisor, human resources representative, Jim Tallaksen, Bruce Beatt, Katy Sherer, Don Riccitelli, Corinne Herzog (Europe), Cherry Fan (Asia), or John Lundgren. All incidents of alleged sexual harassment will be investigated and appropriate corrective and disciplinary action will be taken, if warranted. Sexually harassing conduct includes the threat or implication by a supervisor that an employee's refusal to submit to sexual advances will have an adverse effect on the employee's employment or conditions of employment. Other prohibited conduct by both supervisory and non-supervisory employees includes the making of unwelcome sexual advances, the display in the workplace of sexually suggestive objects or pictures, verbal abuse of a sexual nature and any other conduct of a sexual nature that has the effect of unreasonably interfering with an individual's work performance or creates an intimidating, hostile or offensive work environment.

VIII. DRUG ABUSE

The Company will not tolerate the use, distribution, sale or possession of illegal drugs or any other controlled substance (excluding prescribed medication). Employees should not be on Company premises or in the workplace if they are under the influence of, or adversely affected by, illegal drugs or controlled substances.

IX. ANTITRUST COMPLIANCE

Compliance with applicable antitrust laws is the policy of the Company and the responsibility of each employee, officer and director. Failure to comply could result in serious consequences for the Company and offending individuals. Many violations of antitrust laws are criminal and can subject companies and individuals to heavy fines and possible imprisonment. In addition, companies may be required to pay substantial damages and be ordered to refrain from engaging in the activity. Frequently such orders will extend across the entire product line of a company, although the violation relates only to a single product. And, of course, the company's reputation may be damaged even if it prevails in a legal action.

Here is a brief outline of some of the antitrust principles that may govern transactions in which the Company takes part. These principles apply both to commercial business and business with governmental customers. It is important to remember that it is not possible to cover all areas with which antitrust is concerned. In all of your dealings on behalf of the Company, therefore, be guided by the following rule: Whenever you are involved in any activity in which competitive restraint or common pricing or purchasing policies are present, consult with the Legal Department.

Remember, antitrust laws of countries other than, and in addition to, those of your own country may be applicable.

U.S. ANTITRUST PRINCIPLES

At the heart of the U.S. antitrust laws is the conviction that the economy of a country and its public will benefit most if businesses compete vigorously and independently, free from understandings or agreements with competitors and others that limit their freedom to compete on any legitimate basis. The chief antitrust statute in the United States, the Sherman Act, prohibits conspiracies and understandings that unreasonably restrain the domestic or foreign commerce of the United States. The following principles have evolved under the statute.

1. **RELATIONS WITH COMPETITORS** — Virtually any discussion or communication between competitors with respect to price or any element of price (discounts, credit terms, warranty terms, time of price increases, etc.) is flatly prohibited.

In addition, allocation of successful bids among competitors, sharing of bid information before bids are submitted (including information on bids to different contractors when it is known that the contractors are bidding on a larger common job), rotating bids among competitors, agreeing with competitors to refrain from bidding, and deliberately submitting non-competitive bids is prohibited.

Also flatly prohibited in virtually all cases are discussions between competitors with respect to:

a. Amount of their production;

b. Division or allocation of markets, territories, or customers; and

c. Boycotting of mutual customers, suppliers, competitors or other third parties.

All arrangements in these areas are unlawful and cannot be defended or justified in any way, no matter how good the competitors may have thought their intentions to be.

Do not be misled to think that the prohibited conspiracies and understandings relate only to formal documents signed by the parties. A conspiracy or understanding also will be found to exist where it is shown that there was any kind of mutual understanding which gave the parties a basis for expecting that a business practice or decision adopted by one would be followed, or at least not opposed, by the other.

You should never meet with a competitor or attend a meeting where competitors are present without consulting the Legal Department first.

2. **RELATIONS WITH CUSTOMERS —**

   a. Unreasonable restraints on resale are unlawful. This encompasses, for example, certain agreements or understandings by the seller and customer with respect to the price at which the customer will resell a product.

   b. Refusals to Deal — A company that does not have a monopoly in a product still has the right to select the customers with whom it chooses to do business. This is a right which must be exercised by the company alone without consultation with any other party. The right may never be relied upon as the basis for required adherence by a customer to resale restrictions which otherwise would violate the antitrust laws. Threats to customers that they will be cut off if they do not comply with resale policy pose serious problems and should never be made.

   c. Tying Arrangements — Any arrangements under which a seller forces a customer to take a product it might not otherwise wish to buy from seller as a condition of being able to purchase a different product the buyer does wish to obtain is generally unlawful.

3. **RELATIONS WITH SUPPLIERS** — Trade Relations — The use of trade relations and reciprocity, whether used coercively or only by way of mutual patronage, is prohibited where it is shown that a buyer with substantial purchasing power has purchased a product from another on condition that the other party make purchases from it in substantial amounts. The law does not prohibit a company from purchasing products from companies who purchase from it. It does prohibit any understanding or agreement

to the effect that purchases by each party are conditioned upon purchases by the other.

APPLICABILITY OF U.S. ANTITRUST LAWS TO INTERNATIONAL TRANSACTIONS

The Sherman Act is applicable to international transactions in which any U.S. person or corporation is a party where it may be shown that the transaction has any substantial effect on the foreign commerce (for example, imports and exports) of the U.S. An arrangement which would restrain a U.S. company from selling abroad or a non-U.S. company from selling into the U.S. would clearly be subject to U.S. jurisdiction. The statute also reaches transactions in which only non-U.S. citizens or businesses are involved where it is shown that there has been a substantial effect upon U.S. foreign commerce and that such effect was intended by the parties.

NON-U.S. ANTITRUST LAWS

Although some countries have had antitrust statutes in effect for a substantial period (for example, the Canadian statute dates back to 1889), antitrust regulation in countries other than the U.S.A., particularly in industrial Western Europe, is a post-World War II phenomenon. Antitrust laws of varying degrees of strictness may now be found in a large number of countries.

One major source of antitrust regulation outside the U.S.A. is found in the Rome Treaty of 1957 which established the European Common Market. Article 81(1) of the Treaty specifically prohibits all concerted practices which are likely to affect trade between the Member States and which have as their object or result the prevention, restriction or distortion of competition within the Common Market. Examples listed which are deemed to fall within 81(1) include such common restraints as price fixing, production limitation, price discrimination and tie-in arrangements. Article 81(3) exempts from the prohibition of 81(1) agreements which may be shown to contribute toward improving production or distribution of goods or promoting technical or economic progress within the Common Market while reserving to users a fair share in profit, without imposing upon the enterprises concerned any restriction which is not essential for attaining such objectives or giving such firms the power to eliminate competition in a substantial part of the Market. However, an exemption under Article 81(3) is not available unless the restrictive agreement has been registered with the secretariat of the European Economic Community.

In addition to the Treaty of Rome, antitrust laws exist in Germany, the United Kingdom and most other European nations. In addition, there are approximately 100 countries in the world with antitrust laws.

X. INTERNATIONAL BOYCOTTS

The Export Administration Regulations prohibit U.S. companies, including controlled-in-fact subsidiaries, from taking certain actions in U.S. or international commerce (including shipping products containing U.S. content or implementing letters of credit involving a U.S. bank) that support unsanctioned foreign country boycotts of other countries, such as the Arab League boycott of Israel. Prohibited actions include refusing or agreeing to refuse to do business with a boycotted country, discrimination on the basis of race, color, religion, sex or national origin, and furnishing information about another company or person's boycott status. The receipt of a request to comply with such a boycott must be reported to the U.S. Department of Commerce. Violations may subject the Company and its employees to administrative or possibly criminal penalties.

In addition, the Ribicoff Amendment to the Tax Reform Act of 1976 requires companies to report their business activity in Arab countries listed by the U.S. Treasury Department that participate in the boycott of Israel and to report whether they have agreed to cooperate with the boycott. Cooperation may result in the denial of tax benefits for the Company.

XI. IMPORT AND EXPORT CONTROLS, ECONOMIC SANCTIONS and C-TPAT CERTIFICATION

The U.S. Government maintains import and export control laws and regulations designed to ensure that transfers of products, services and technology are accomplished in a manner that is consistent with national security and foreign policy goals, as well as other U.S. Government interests. These laws apply to transfers of goods and technology to and from foreign companies and foreign persons, whether such persons are in the US or abroad. The United States has also promulgated economic sanctions that restrict trade, investment, and financial transactions with certain countries, organizations, and individuals, as well as prohibitions on complying with unsanctioned foreign boycotts (which are discussed elsewhere in these Business Conduct Guidelines). The U.S. Commerce Department's Bureau of Industry and Security and the Treasury Department's Office of Foreign Assets Control have primary responsibility for administering these controls.

It is the Company's policy to comply with not only the letter but also the spirit and intent of all import and export control and sanctions laws and regulations of the United States and other countries where the Company does business. Under no circumstances may an import, export, re-export, or any other transaction be made contrary to these laws and regulations or to the Company's policies and procedures. To ensure the Company's compliance, all international transactions and transactions involving foreign persons must be properly screened and authorized before they occur. Because the controls referenced above as well as the lists of embargoed countries and proscribed persons are subject to change, please consult the Company's updated compliance resources or personnel for current information.

Failure to comply with U.S. import and export control laws and trade sanctions can result in criminal sanctions, civil fines, debarment from government contracting, the loss of U.S. export/import privileges, and imprisonment. These penalties can be levied against the company and against individuals. Noncompliance by Company personnel will be met with appropriate disciplinary action, including the possibility of termination.

C-TPAT Certification

Under the direction of the Department of Homeland Security, Customs and

Border Protection created the Customs Trade Partnership Against Terrorism ("C-TPAT"). C-TPAT is a voluntary initiative between government and the business community designed to protect the security of cargo entering the U.S. and expedite the import process for C-TPAT members.

Stanley Black & Decker is a member of C-TPAT. C-TPAT compliance requires the support of many different functions within the Company, and certain employees will be required to complete C-TPAT training. Failure to complete C-TPAT training or otherwise to comply with C-TPAT requirements may result in a loss of Stanley Black & Decker's C-TPAT certification and damage to the Company's operations and profitability.

XII. UNITED STATES FEDERAL, STATE AND LOCAL GOVERNMENT CONTRACTS

Several of the Company's businesses provide goods or services to U.S. federal, state and local governments. The Company's policy is to strictly comply with the following basic principles when communicating or transacting business with these customers.

1. The Company will compete for U.S. federal, state and local government business strictly on the merits of its products and services and will not reward in any way favorable treatment by government employees relating to such business. The Company, its employees, and its officers, directors and agents shall not: (a) offer, provide, solicit or accept anything of value in return for any type of favorable treatment concerning a U.S. federal, state or local government contract or subcontract; (b) offer or provide anything of value in return for or to influence an act by a government employee; or (c) provide any gift or gratuity of even a nominal value (including meals, beverages or any form of entertainment) unless permitted by applicable laws, regulations, rules and ethics standards.
2. The Company will perform its federal contracts and subcontracts in strict compliance with governing laws and regulations, and ensure that it delivers products that are sourced in accordance with applicable contract provisions.
3. The Company shall follow strictly all laws and regulations concerning employment discussions and hiring decisions involving U.S. federal, state and local officials and employees.
4. The Company and its employees, officers, directors and agents shall not solicit nor accept competitive bid or proposal information (such as pricing, specifications, or technical information) or source selection information (such as internal government proposal evaluation or award information) when those actions are prohibited by any law, rule, regulation or contract provision.
5. The Company shall provide U.S. federal, state and local government contract customers and prime contractors with products and services that fully comply with all contract provisions (including but not limited to item descriptions, statements of work and specifications). Any substitutions of products or services specified in such an agreement shall be made only when explicitly permitted by that agreement, or when approved in a written modification or other appropriate writing by an authorized government representative.
6. All communications and records concerning U.S. federal, state and local

government business shall be truthful, complete and accurate to the best of the Company's knowledge and belief.

XIII. CITIZENSHIP

The Company encourages and supports the efforts of its employees, officers and directors to give leadership and service in the governmental, educational and social welfare fabric of the communities in which they live. The Company also recognizes and willingly accepts its responsibilities as a citizen of the communities in which it operates. It will be active in its public responsibilities and it encourages its employees, officers and directors to be similarly active.

XIV. EQUAL EMPLOYMENT OPPORTUNITY AND DIVERSITY; FAIR EMPLOYMENT PRACTICES; PRIVACY OF EMPLOYEE PERSONAL INFORMATION; ELECTRONIC COMMUNICATION AND COPYRIGHT LAWS

It is the policy of the Company to seek and hire the best qualified personnel. The Company is an equal opportunity employer dedicated to a policy of nondiscrimination in all aspects of employment based on any factors prohibited by applicable law.

We seek employee excellence, and we seek to create a workplace where men and women from diverse backgrounds can thrive and reflect our diverse communities and customers. Diversity is a positive, creative, organizational process at the Company. All qualified individuals are invited to seek employment. Those who are employed are encouraged to contribute to their full potential regardless of gender, race, ethnic origin, age, disability, geographic origin, job position, religion, or sexual orientation.

The Company and its customers are strongly committed to full compliance with human rights and labor standards. The Company facilities and the facilities of the Company's direct and indirect vendors must ensure that no Company product is made in whole or in part using any child, forced, or prison labor. The Company's managers and the Company's direct and indirect vendors have the obligation to provide for factory inspections, to be vigilant, and to take immediate action to prevent any unfair employment practices.

It is also the belief of the Company that it should only collect and retain such personal information about employees as it needs for legitimate business purposes, that access to this personal information is restricted within the Company to those with a need to know it, and that personal information is released outside the Company only with the permission of the employee or when legally required.

The Company owns the telephone, voice mail, e-mail and computer systems. These systems (including any connection to the internet or intranet) are designed for company use only. The Company reserves the right to monitor, intercept or access your use of these systems at any time without notice. Employees should understand that any information produced or stored on these systems is not personally confidential. Employees are prohibited from uploading, downloading, transmitting or printing any copyrighted materials, trade secrets or proprietary information without proper authorization. Employees are also prohibited from using any of the Company's telephone, voice mail, e-mail or computer systems (including, internet or intranet connection or use) to create a hostile work environment or to harass, defame or stalk others.

Each manager has responsibility to work toward implementing these beliefs of the Company.

XV. FAIR DEALING

Each employee, officer and director should endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XVI. COMPANY ASSETS

All employees, officers and directors should protect the company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the company's profitability. All company assets should be used for legitimate business purposes.

SUPPLEMENT

SUPPLEMENTAL BUSINESS CONDUCT GUIDELINES FOR ALL COMPANY PERSONNEL INVOLVED IN PROCURING GOODS AND SERVICES

Purpose

The establishment and maintenance of good relationships with our vendors is important to achieving our business goals and making the Company competitive in the global marketplace. The purpose of this supplement is to emphasize and augment the principles set forth in Article II of the Company's Business Conduct Guidelines dealing with Conflicts of Interest. The Company should always be the prime beneficiary of good working relationships with vendors so that procurement decisions are always based on what is best for the Company not what is personally best for the individual making the procurement decision. All (this includes not only procurement personnel but engineering, marketing, information technology, etc. personnel as well) Company employees (including temporary employees and consultants) who procure or are involved in the procurement by the Company of goods and services from outside parties (including purchases for resale) are bound by this supplement and should periodically read the statement of policy set forth below.

Statement of Policy

1. You are prohibited from accepting any gifts, gratuities or other benefits that go beyond the common courtesies usually associated with business practices from any person or entity (including, employees or agents of a person or entity) who is a vendor or potential vendor to the Company (collectively, "Suppliers"). Under no circumstances may you accept cash or cash equivalents (gift certificates etc.). If you are offered a gift or receive a gift whether at the office or at home, notify your manager immediately. Arrangements should be promptly made to return or dispose of any gift that you or your manager determines goes beyond common courtesies and the Supplier that provided such a gift must be reminded of the Company's gift policy.

2. We encourage you to meet with Suppliers at their office or your office rather than having breakfast/lunch/dinner meetings unless the mutual scheduling constraints do not leave you any alternative. If you do go out to eat, you should ordinarily either pay for the whole meal or split the check.

3. You may not participate in any non-strictly business events or outings sponsored by Suppliers without the prior approval by the Vice President of Stanley Black & Decker, Inc. responsible for procurement.

4. You may not solicit charitable pledges or sponsorship of charitable events from Suppliers.

5. You may not show nor direct any other employee to show any favoritism toward any particular Supplier.

6. You may not work with a former Company employee who is now employed by a Supplier in connection with the purchase of goods or services by the Company for a one year period following that individual's departure from the Company without full disclosure to, and the prior approval of, the Vice President of Stanley Black & Decker, Inc. responsible for procurement.

7. You may not provide any information, data, services or equipment to a Supplier or make any commitments to a Supplier except as necessary in connection with the procurement of the specific good or service that you are authorized and required to procure or assist in the procurement of on behalf of the Company.

8. You may not enter into any ownership (other than through the holding of publicly traded shares of stock of modest value) or employee relationship with respect to a Supplier without full disclosure to, and the prior approval of, the Vice President of Stanley Black & Decker, Inc. responsible for procurement.

9. For purposes of these Supplemental Guidelines, references to "you" include the members of your immediate family and household and any other person who might benefit from his or her relationship to you. The terms "gifts, gratuities or other benefits" include money, goods, services, discounts, favors and the like in any form that personally benefits you.

This Supplement is part of the Company's Business Conduct Guidelines. As with the Business Conduct Guidelines, you have a duty to read and understand this Supplement. **Your employment at the Company is dependent upon complying with this Supplement. Compliance includes a duty to report any violation of the policies set forth in this supplement. A failure to comply will result in discipline, including termination in appropriate circumstances.**

If you have any questions or are uncertain as to whether a particular situation constitutes a violation of this policy, you must contact the Vice President of Stanley Black & Decker, Inc. responsible for procurement before taking or approving a questionable action. The Vice President of Stanley Black & Decker, Inc. responsible for procurement is responsible for the resolution of all questions regarding this Supplement.

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