Supplier Expectation Protocols
Purpose and Applicability

The purpose of ITT’s Supplier Expectation Protocols is to provide ITT suppliers clear expectations of conduct across legal, regulatory, company policy and business paradigms. This forms the foundation for cooperation between ITT and its suppliers towards the goal of achieving all performance, quality and sustainability objectives. This document applies to all ITT businesses worldwide. Please refer to our website ITT.com and the list of subsidiaries in Exhibit 21 to the company’s most recent 10-K report which is available online at sec.gov.

ITT is committed to providing ITT customers with the highest quality products and services and recognizes the importance of ITT suppliers’ contributions in support of this effort. The quality of items delivered by ITT suppliers is a decisive factor in ensuring:

- The correct form, fit, function and reliability of ITT products
- The flow of these products and services through ITT factories

Meeting these two objectives results in ITT customer satisfaction and end-user satisfaction.

ITT is also committed to following both the letter and spirit of global laws and regulations and expects its suppliers to conform as well.

ITT’s Supplier Expectation Protocols apply to all suppliers across the ITT enterprise. The Supplier Expectation Protocols complement all of the other information provided by ITT. If there are any questions, please contact your ITT buyer.

ITT reserves the right to change the Supplier Expectation Protocols at any time and the electronic version posted on ITT.com contains the most current and controlling version of this document. ITT also reserves the right to assess ITT suppliers in an effort to better understand their actions, policies and/or procedures which contribute to appropriate performance on several issues herein. Any such ITT supplier assessment will be treated confidentially, but may serve as a data point for ITT in deciding to continue a business relationship with a supplier. It is recommended that ITT suppliers speak with their ITT buyers about these protocols, or periodically access ITT.com for the latest version of ITT’s Supplier Expectation Protocols.
Normative Reference


The ITT Code of Conduct

ITT suppliers are expected to behave in a manner consistent with ITT’s Code of Conduct and equally commit to strive to do the right thing always. Under the ITT Code of Conduct and the Supplier Expectation Protocols, suppliers and their employees are expected to:

• Be truthful.
• Strictly adhere to the letter and spirit of all laws.
• Provide high-quality products and services.
• Conform to locally accepted standards of good corporate citizenship in each country in which we do business.
• Promote and sustain a work environment that fosters mutual respect, openness and individual integrity.
• Be a global citizen by never letting the end justify the means and always living up to our ethical, environmental and social responsibilities.

Suppliers can find the latest edition of the ITT Code of Conduct at ITT.com.

Specific provisions of the ITT Code of Conduct are incorporated in our Supplier Expectation Protocols, including the following four provisions:

Inclusion and Diversity

ITT values different ideas, opinions and experiences and is committed to continually advancing a culture of inclusion and diversity within its workforce and expects ITT suppliers to be similarly committed to diversity and inclusion.

To maintain an inclusive and diverse work environment, ITT suppliers should take steps to ensure their workplace provides equal employment and advancement opportunities, incentives and discipline. In so doing, ITT suppliers must certify that they do not make employment-related decisions based on any characteristics protected by applicable law, such as age, color, gender, gender identity, national origin, physical or mental disability, race, religion, sexual orientation or any other legally protected personal basis.
Harassment
Harassment has no place at ITT, or in our supplier network. Recognizing that legal definitions of “harassment” may differ globally, ITT considers it to include any form of unwelcome conduct toward another person that has the purpose or effect of creating an intimidating, hostile or offensive work environment for that person. Harassing conduct can be committed by an employee or a non-employee and can take many forms, including making gestures or remarks, touching or displaying pictures. Promises of promotion or special treatment in return for sexual favors also constitutes harassment. ITT will not tolerate any such conduct, regardless of whether a harassment claim is enforceable under local law, and expects its suppliers to be so committed.

Human Rights
ITT is committed to conducting its business in a manner that respects and advances human rights based on our values and operating principles. ITT upholds human rights at all times and in all locations, regardless of local business customs. For further information see ITT’s Human Rights policy at ITT.com.

In particular, ITT is committed to:

- Providing safe and secure conditions for those working on our company’s behalf
- Protecting the environment
- Following all applicable wage and hour laws
- Strictly prohibiting human trafficking and the use of child or forced labor, including prison or bonded labor
- Treating each other fairly and equitably

To ensure that every facet of our business upholds these standards, ITT seeks business partners who share these commitments. It is therefore an expectation that ITT suppliers also strive to support these basic human rights within their work environments.

Raising Concerns
Ideally, ITT suppliers will have their own Code of Conduct detailing for employees the expectations they have for performance within all applicable laws and regulations. Suppliers and their employees are expected to perform their responsibilities within all applicable laws, regulations, and ITT Code provisions. Should a supplier or their employees have questions or concerns about any business-related matter or behavior that may violate applicable laws, regulations, or ITT Code provisions, they are strongly encouraged to raise the matter with their ITT manager or utilize the ITT Helpline or webl ine found at ITT.EthicsPoint.com.
Quality System Requirements

ITT Value Centers will determine the requirements of third party registration and the process for providing periodic compliance assessments for their suppliers. ITT suppliers must promptly notify ITT of any significant changes that affect quality. These changes include, but are not limited to, changes in key management or personnel, changes in source of supply of key materials, and changes in address or site configuration.

Approved Status

ITT suppliers may be approved by an ITT Value Center or site. The typical approval process includes a Supplier Assessment and a Supplier Quality Audit. Potential ITT suppliers fully engage in this process to gain ITT approval. Approved status is granted and revoked by ITT at their discretion and can include probation periods with increased oversight for new or poor performing suppliers.

Changes to Products or Services

ITT suppliers are responsible for assuring that the configuration of all drawings, specifications, and instructions required by the contract/purchase order, as well as authorized changes, are current and accurate when used for manufacturing, inspecting, packaging and testing.

“Authorized changes” means that ITT approves in writing, all manufacturing and design changes in advance of their implementation.

ITT suppliers must assure they have the capability to manage document revisions and purchase order changes.

ITT suppliers with design authority are required to promptly notify ITT, in writing, of any changes of fit, form, function, manufacturing process, reliability, or safety of product and obtain approval prior to manufacture and delivery. ITT suppliers must submit to their ITT buyer, in advance of implementation, proposed changes that may include, but are not limited to, changes in:

- Process
- Material
- Design
- Software
- Packaging
**ITT suppliers ensure flow down, and compliance with, all applicable purchase order requirements to all subtier suppliers:**

ITT expects suppliers to immediately notify their ITT buyer if they have concerns about the accuracy of, or questions about, any requirements on the purchase order, engineering drawing and/or specifications. This includes issues with the legibility of any contractual documents.

Handwritten, lined-out or initialed changes to purchase orders, engineering drawings, specifications or technical data are prohibited. No verbal authorizations shall be permitted. E-mails from the responsible ITT buyer and formal and official change notices/revisions are acceptable.

**Nonconforming Material**

**General**

ITT suppliers must certify they have established procedures to assure nonconforming material is promptly identified and prevented from inadvertent use or delivery. Nonconforming material means material that does not conform to drawings, specified requirements, standards, purchase order requirements and/or acceptance criteria. This definition includes material provided by subtier suppliers.

**Identification and Segregation**

ITT suppliers must immediately identify any material suspected of being nonconforming and prevent their use, shipment, or mixing with conforming material. In order to prevent further use and processing of nonconforming materials, ITT suppliers must utilize an appropriate method to segregate any confirmed or suspected nonconforming materials from acceptable material.
Containment of Nonconforming Material

Upon discovery or notification by ITT, ITT suppliers are required to take immediate action to determine if the nonconformance exists:

- In finished or incoming stores at the ITT supplier’s facility
- In any work-in-process
- In transit to ITT
- In prior shipments to ITT

ITT suppliers shall execute and document containment action within 24 hours of discovery of the nonconformance or notification by ITT. In the case of a containment action, continued shipments may require ITT buyer approval.

Notification of Nonconforming Material

ITT suppliers are required to promptly notify ITT if a nonconforming product has been shipped. The notification includes:

- Part numbers affected
- Traceability (lot, serial, manufacturer numbers) of the defective product
- Ship dates of the defective product
- Quantities of the defective product
- A description of the nonconformance
- Immediate action taken by the supplier to contain the condition
- The corrective action being taken to eliminate/prevent future occurrences
ITT suppliers must send written notification to the attention of ITT’s buyer at the purchase order issuing site, and ITT’s Quality Assurance Representative.

**Managing Defective Parts Shipped to ITT**

When defective parts are found at an ITT facility, ITT suppliers can expect to be notified immediately and may be required to implement the identification, segregation, containment and notification actions described above. Additionally, ITT suppliers may be asked to support any or all of the following at ITT’s discretion:

- Immediate return of the entire affected delivery to the ITT supplier, who must then provide a replacement delivery
- Sorting activity carried out by the ITT supplier at the ITT facility
- Sorting activity carried out by ITT or by a company appointed by ITT
- Compensation for ITT costs incurred including salvaging parts

**Supplier Deviation Requests**

ITT suppliers may request consideration for nonconforming material that cannot be reworked to fully conform to drawing or purchase order requirements. If that situation arises, ITT suppliers must submit Supplier Deviation Requests on site-directed forms. Whenever requested by ITT, samples that are representative of nonconformance(s) will also be submitted. Nonconforming material cannot be shipped by the supplier until the completed, dispositioned and approved Supplier Deviation Request document is returned to the supplier.

**Nonconformance Management**

![Diagram of Nonconformance Management Process]

<table>
<thead>
<tr>
<th>Decision</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prior to shipment?</td>
<td>Request disposition from ITT</td>
</tr>
<tr>
<td>Nonconformance discovered</td>
<td>ID and segregate all nonconforming product</td>
</tr>
<tr>
<td>Apply containment action within 24 hours</td>
<td>Notify ITT of the nonconformance immediately</td>
</tr>
<tr>
<td>Root cause corrective action</td>
<td>Sort and inspect activity at ITT, at supplier and/or with 3rd party</td>
</tr>
<tr>
<td>By ITT</td>
<td>By supplier</td>
</tr>
</tbody>
</table>

ITT suppliers implement steps to prevent defects.
Corrective Action Requests (CARs)

ITT sites may issue Corrective Action Requests to ITT suppliers in order to provide feedback on specific nonconformance(s) and to provide a firm basis for continuous improvement. ITT believes that CARs are an **opportunity for learning and improvement**. ITT suppliers are expected to respond to these Corrective Actions ON TIME (as defined by the ITT site) and with the same belief that these CARs are opportunities for learning and improvement.

Poor response to ITT CARs by ITT suppliers may be considered a lack of commitment to continuous improvement and may require further action by ITT.

English Language

English language is expected for all ITT suppliers’ communication and information provided to ITT since ITT sites are worldwide and a common basis for communication is required. Translations may be done by agreement, but the English versions govern.

Audit Rights Reserved/Right of Entry

ITT, ITT partnerships, ITT customers and government/regulatory authorities reserve the right to perform audits and/or inspections at ITT suppliers’ and/or ITT suppliers’ subcontractors’ facilities to:

- Examine all pertinent documents, data and other information relating to ITT products, tooling, or any ITT Purchase order.
- View any facility or process relating to ITT products or any ITT purchase order.
- Audit any facility or process to determine compliance with the requirements of any ITT purchase order.
- Dispatch an inspection service to perform ITT-directed independent verification of ITT, or supplier’s product at the ITT supplier’s premises and with ITT supplier’s inspection equipment.

When on-site verification of contract/purchase order conformance is required, ITT suppliers must provide the equipment, facilities, complete and accurate paperwork, and personnel necessary for ITT representatives to verify compliance.

Any audit activity as described above will be conducted during normal business hours and with advance written notice to ITT suppliers.

ITT expects that any findings as a result of the above audit activity will be acted on promptly by the ITT supplier.
Supplier Performance Scoring – Delivery and Quality

Supplier Quality and Delivery will be defined and measured by the ITT Value Center (VC) or site. Please refer to the specific supplier performance metrics for that VC or site for definitions and goals.

**ITT suppliers must commit to continuous improvement in their quality and delivery performance.**

ITT suppliers’ performance may be used by ITT to direct improvement activities by the supplier and may drive future sourcing decisions.

Shipping and Handling

ITT suppliers must pack, label, protect from damage, and then ship all products in accordance with ITT’s specifications or, in the absence of such specifications, in a manner that ITT suppliers select as commercially reasonable, appropriate and suitable for timely, safe delivery, which ensures that the products will not be damaged in transit.

Whenever possible, ITT strongly encourages ITT suppliers to utilize packaging derived from recycled materials. Wood pallets must also meet packaging requirements. Moreover, ITT expects suppliers to consider the manner in which they ship or transport contract goods, taking into positive account shippers and/or freight forwarders who certify in relevant jurisdictions that they employ energy efficient standards and other means to reduce their carbon emissions.

Restrictions on Hazardous Substances

ITT suppliers must agree to comply with:

- The European Union (EU) Directive 2002/95/EC (the “Directive”) as amended from time to time and any country-specific implementing laws and regulations
- Any applicable legislation implemented outside the EU covering some or all of the matters covered by the Directive

ITT suppliers represent and warrant that the products they ship to ITT or their customers contain no asbestos-containing materials or mercury.

Because ITT may sell its products in California, ITT suppliers must disclose in writing to ITT that all materials and components in the materials they provide, and the amounts therein, which require labeling under California Proposition 65 are so labeled.

All shipments must be packaged and labeled according to applicable laws and regulations, and include a current Safety Data Sheet.
Product Safety Expectations

ITT suppliers must provide products, components, materials and services that conform to specifications and are free from product safety hazards that would result in personal injury or death, adverse environmental impacts, and/or property damage. ITT suppliers must further certify that when these purchased items are incorporated into ITT products, they are safe for our customers, employees, the general public and the environment.

When asked, ITT suppliers are required to provide adequate evidence of their product safety documentation:

- Piece parts must comply to engineering and purchase specifications.
- Module and/or subassembly suppliers that have design responsibility, must be qualified.
- Commercial suppliers must have an approved Product Safety Profile (PSP) and Operating Hazard Analysis (OHA) or equivalent. ITT sites provide forms, direction, and approval for PSP’s and OHA’s.
- Products for ITT private labeling must be qualified in the same manner as modules and/or subassembly and have a Supplier Product Safety Program Assessment performed by the ITT site.
- ITT suppliers may contact their ITT buyer for documentation.

International Trade Controls

ITT suppliers are expected to comply with all applicable export/import regulations governing international trade, including the U.S. International Traffic in Arms Regulations (ITAR), the U.S. Export Administration Regulations (EAR), the Office of Foreign Assets Control Regulations (OFAC) and all applicable non-U.S. Government export/import regulations. ITT sites will direct compliance including, but not limited to:

- Upon request, ITT suppliers shall certify in writing their compliance with applicable Export Control Regulations.
- All ITT suppliers will be initially and periodically screened against the various Denied Parties Lists maintained by U.S. and non-U.S. governments.
- All ITT suppliers shall provide complete shipping documentation for all products being imported or exported. All products and/or packaging shall be marked with the country of manufacture (origin) of each product and shipping documentation shall include the Harmonized Tariff codes and Export Control Classification Numbers (ECCN’s)/United States Munitions List (USML) codes.
- In instances where the suppliers provide products to ITT that are eligible for preferential duty programs, suppliers shall furnish ITT with all documentation to establish program eligibility for their products. The supplier must provide a certificate of origin for each product annually when requested by ITT.
• ITT supplier personnel accessing ITT facilities may be required to provide proof of citizenship and are subject to screening against Denied Parties Lists prior to being granted access to ITT facilities.
• ITT suppliers shall ensure that their company personnel understand the export requirements of the products and/or data provided by ITT.
• ITT suppliers will be responsible for obtaining any export authorizations as necessary. Where the supplier is not the exporter of record, and an export must occur, ITT suppliers must provide ITT the necessary information to obtain the appropriate export and/or re-export authorizations.
• Violation of any of these export controls can result in the cancellation of any open order and be grounds for termination by ITT without cost or penalty to ITT.
• For products imported to the U.S., upon request, ITT suppliers shall certify in writing their compliance with the C-TPAT (Customs-Trade Partnership Against Terrorism) initiative.

Prohibition on Corruption and Bribery

ITT expects its suppliers to conform with all anti-corruption and anti-bribery laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Anti-Bribery Act, as well as the specific provisions of ITT’s Code of Conduct prohibiting facilitating payments. Ideally, ITT suppliers will have a Code of Conduct or company procedures which also prohibit unethical and illegal activity involving bribery and corruption, as well as anti-corruption training programs for their employees.

Records and Information Management

ITT suppliers must maintain complete and accurate records of all products and services provided to ITT. All records shall be retained for a period of 1 year from the date of delivery to ITT or as directed by the ITT site.

Part Verification Prior to Shipment to ITT

Inspection, Measurement, and Test Equipment

All inspection, measurement and test equipment used in product final conformance verification shall be calibrated in accordance with instructions and/or nationally recognized reference standards to equipment of confirmed values. Inspection, measurement and test equipment shall be re-calibrated at defined intervals.

Source Inspection

At ITT’s discretion, ITT may require ITT suppliers to have source inspection completed at their facilities prior to shipment. Source inspection may be required under, but not limited to, the following circumstances:

• Current quality and delivery performance issues
• Part complexity
• Satisfaction of contractual and/or purchase order requirements
• Probation period for new suppliers
When Source Inspection is required of ITT suppliers, all of the “Audit Rights Reserved/Right of Entry” provisions herein apply.

Source Inspection may be requested by ITT suppliers who will be responsible for the costs incurred by their request. Source Inspection does not relieve ITT suppliers of their basic responsibility to furnish an acceptable product.

**First Article Inspection**

The purpose of first article inspection is to document objective evidence that ITT suppliers’ products conform to the engineering drawing and meet the design specification requirements. First articles may apply to component parts, assemblies, castings/forgings and/or completed products as contractually specified by the purchase order or contract. *First articles are produced using the same process that is used for production.*

First articles are required whenever specified by the purchase order or any of the following criteria:

- Initial production run of the part by a new ITT supplier
- The engineering drawing revision on the purchase order has changed since the last first article performed by the ITT supplier (delta first articles may be applicable as determined by the ITT Quality Control Supervisor or his/her designee)
- As required by the ITT Quality Department
- As specifically noted on the purchase order

ITT suppliers must submit first articles for approval with no known nonconformances. Products are not approved for production until first article samples are fully approved.

First articles are submitted on a form specified by the ITT site. ITT suppliers may elect to submit a first article on their own form with approval from the ITT site.

**Advanced Quality Planning**

When directed by the ITT site, and in compliance with Advanced Quality Planning (AQP) practices, and where applicable, ITT suppliers submit a Part Submission Warrant (PSW) to the required level, with supporting PPAP (Production Part Approval Process) documentation, for all new and existing products. Periodic reviews of the AQP status and progress (including, but not limited to documentation, tooling progress, design reviews, build schedules, etc.) may be required throughout the AQP process prior to actual PPAP submission. All documentation (progress reports, dimensional results, PPAP documentation packages, etc.) must be submitted directly to the Supplier Quality Assurance Representative.