

Supplier Code of Conduct



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Introduction

Overview

Malibu Boats, Inc., the parent company of each of its operating divisions, business units and subsidiaries (Malibu Boats, LLC; Malibu Boats Proprietary, Limited; Cobalt Boats, LLC; and, PB Holdco LLC dba Pursuit Boats; collectively, “Malibu Boats”) is committed to the highest standards of ethics and business conduct. This expectation extends from Malibu Boats, Inc. into all of our operating divisions, business units and subsidiaries and therefore in turn, all of our and their employees, associates, contractors and personnel. We educate our personnel and expect them to practice this commitment on a daily basis both internally amongst ourselves and externally amongst our partners. This expectation further extends throughout our supply chain to our suppliers and sub-suppliers of all of our operating divisions, business units and subsidiaries. We expect our suppliers will cascade similar expectations through their own supply chains.



Throughout this document Malibu Boats, Inc., as well as all operating divisions, business units or subsidiaries will be identified as “Malibu Boats”.

Introduction

At Malibu Boats we pride ourselves in not simply manufacturing and offering products for sale but instead providing our customers and end-users with an experience brought about by the Malibu Boats’ platforms; the highest quality, most modern, technology advanced, fully integrated water ski/surf/wakeboard boats, stern drive / stern surf boats and saltwater outboard fishing boats available in the world.

This experience includes family, friends and the enjoyment of the outdoors. It translates backwards from the end-user through our dealer network, our manufacturing operations and into our supply base. The experience starts with our suppliers as we source the best possible parts, components, assemblies and materials available from high performance suppliers offering quality products and services at a fair price, with reasonable terms and with superior execution.



Foundational to providing the best experience possible is not only about who we are as a company and as individuals, but how we manage our business internally, and how we operate externally with customers, end-users, partners, governments, communities, and suppliers. Malibu Boats is committed

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to the highest standards of social and environmental responsibility and ethical conduct. The general principles found within this document not only guide our conduct but form the foundation to the kind of company that we want to be and the kind of reputable suppliers that we desire to work with.

We will uphold the highest professional standards in all global business operations. Likewise, the ethics of our suppliers, service providers and business partners is of utmost importance. We expect those with whom we do business to be reputable, uphold our high standards, share our commitment to ethical business conduct and have, and follow, a similar code of ethical conduct. This code requires unequivocally:

- compliance with all applicable governmental laws, rules and regulations wherever Malibu Boats or our suppliers operate;
- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and the appropriate self-disclosure to Malibu Boats of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- full, fair, accurate, timely and understandable reporting in books, records reports and documents;
- prompt internal reporting of violations of this code or of any law affecting Malibu Boats' business; and,
- accountability for failures to adhere to this code.



Our Mission, Vision and Values

Supply chains built on strong values such as, but not limited to, integrity, accountability and execution excellence are foundational in ensuring product quality, product availability, business competitiveness and reducing overall business risk. These traits help position Malibu Boats as the provider of choice for marine recreational products offered in the markets in which we participate.

Malibu Boats, Inc. as well as all of our operating divisions, business units and subsidiaries share a common Mission, Vision and set of Values. We strive to ensure our suppliers share these same principles and values that are important to us as we believe these are foundational to creating and maintaining a strong, sustainable supply chain.

Our Mission

**At Malibu Boats
we create
the ultimate on the water lifestyle.**

The ultimate on the water lifestyle means different things to different people. That said, there are a few common themes that appear out of a number of more detailed explanations, as follows:

- a. The ultimate lifestyle means that the product must perform without failure or deficiency whenever the end-user customer demands such.
- b. The products we manufacture must be easy to operate and provide for a safe, enjoyable experience during their use.
- c. The products we manufacture should provide features and functions which are modern, timely and provide for execution of functions and features in a timely manner.
- d. The products we manufacture should be supported by a strong network of dealer, factory and supplier support to assist both the dealer customer and end-user customer when necessary and return their boat to proper operating condition as quickly as possible.

Together, Malibu Boats and each supplier and sub-supplier, must consider the lifestyle element as we collectively and separately design and manufacture our products.

We must all understand that our collective mission is to create, maintain and support the lifestyle of our end-user customers using the water as a source of recreation and positive family experiences.



Our Vision

Malibu Boats will be recognized as having world class product innovation and operational excellence executed with pride and passion.

We create customers for life by delivering the ultimate on the water experience.

Our vision is to be recognized by the innovation built into each of our products and for the pride, passion and excellence with which we execute.

Our innovation will provide for advancements in the customer experience allowing for not only new and additional features but also increased ease of use of our products. This innovation will be executed with pride and passion resulting in high quality, highly reliable products which our customers and end-user customers can not only rely on, but also be proud of.

As an outcome of our continuous innovation, operational excellence, pride and passion we will strive to create customers for life. At each turn in the Malibu Boats' experience our goal is to minimize impact to our customer and end-user customer and in doing so make each experience as hassle-free, enjoyable, exciting and desired as possible. Whether the end-user customer's initial sales experiences on our web-site or at our dealer, through taking delivery of the world class product, during each "on the water" product experience and then through service, support and after sales experiences, creating and maintaining positive experiences reinforces customer loyalty.

Suppliers play a large role in our ability to deliver the key components of our vision. We look to each supplier for positive impacts such as:

- providing high quality, defect free materials, parts and products;
- delivering on-time and complete;
- offering innovation in the products and services which the supplier provides;
- maintaining proactive and assertive cost control measures reducing impacts to Malibu Boats whenever possible;
- being committed to continuous improvement activities in order to positively affect quality, cycle times, cost and price.

Our Core Values

Safety | Integrity | People | Quality

Innovation | Customer Focus

Continuous Improvement

These seven guiding principles, or core values, represent what Malibu Boats believes are, without compromise, our foundational beliefs for the manner in which we conduct ourselves day in and day out, internally, inter company and externally with our suppliers, dealers and others.

Safety:	We are committed to safety and dedicated to fostering behaviors where safety is our number one priority.
Integrity:	We will be clear, consistent and honest in our thoughts, words and actions.
People:	People are the heart of our organization. We value their contributions and commit to treat everyone with dignity and respect.
Quality:	We are committed to designing and manufacturing to the highest quality standards. We focus and prioritize our efforts on consistently producing an exceptional product that is reliable with attention to the finest detail.
Innovation:	We are committed to creating new designs and technologies that revolutionize our customers' on the water experience.
Customer Focus:	We will be driven by our internal and external customers' expectations.
Continuous Improvement:	We are committed to maximizing and sustaining the value and quality of our products by reducing waste, simplifying processes and improving the work life of our people.

It is our desire that our entire supply base (through our suppliers, their sub-suppliers and so on) extend these or similar core values through their organizations and create a common platform of values and beliefs. By doing so we will be ensuring a strong and sustainable extended supply chain for the future.

Compliance

This Supplier Code of Conduct (the “code”) applies to companies, individuals, consultants, and contractors that provide goods or services to Malibu Boats and where applicable, the employees, subcontractors, suppliers and/or agents of our suppliers (collectively known as “suppliers”).

This Supplier Code of Conduct sets forth our expectations for each of our suppliers and aligns with the expectations we maintain for our own directors, officers, employees, representatives and other associated personnel. Malibu Boats understands and expects that our suppliers will have their own internal codes of ethics and conduct. This code is not intended to be an exhaustive list of all ethical and business conduct requirements to be followed by suppliers. As a supplier to Malibu Boats, you are responsible for ensuring that your directors, officers, employees, representatives, associates and business partners understand and comply with the expectations set forth in this code.

We require our suppliers to be responsible corporate citizens and to operate in accordance with and to act consistent with the principles within this Supplier Code of Conduct and in full compliance with all applicable laws and regulations (local, regional, national and international as applicable). Compliance with this code is required in addition to any other obligations in any agreement or otherwise that a supplier may have with Malibu Boats.

Malibu Boats expects to do business with suppliers who meet our standards and behave consistent with, and positively reflect, our values throughout the supply chain. This includes, but is not limited to, acting consistent with Malibu Boats’ approach to integrity, execution excellence, responsible sourcing and supply chain management. We further expect our suppliers to embrace this commitment by complying with the Supplier Code of Conduct. Each supplier should demonstrate this commitment by developing and implementing processes to ensure compliance with this document including, but not limited to, providing access to the content of this document, applicable laws and regulations and training in all aspects of these requirements for not only their own personnel but also for their suppliers, subcontractors, agents and related parties.

We take the commitment to this Supplier Code of Conduct very seriously, and violations by suppliers of this Supplier Code of Conduct will result in a review of our business relationship, up to and including termination of the relationship according to our contractual rights and applicable law.

Suppliers must promptly inform their Malibu Boats contact (or a member of Malibu Boats management) when any situation develops that causes the supplier to operate in violation of this Code of Conduct. While suppliers are expected to self-monitor and demonstrate their compliance with this Code of Conduct, Malibu Boats may audit suppliers or inspect suppliers’ facilities to confirm compliance.

Malibu Boats may require the immediate removal of any supplier’s representative(s) or personnel who behave in a manner that is unlawful or inconsistent with this Code of Conduct or any Malibu Boats’ policy.

Legal and Regulatory Compliance Practices

Malibu Boats conducts its business in full compliance of all applicable laws and regulations and expects suppliers will conduct their business activities in the same manner, without limitation, as described, but not limited to, the subjects below.

Trade

Supplier shall comply with all applicable trade controls, as well as all applicable export, re-export, and import laws and regulations.

Antitrust

Supplier shall conduct business in full compliance with antitrust and fair competition laws that govern the jurisdictions in which they conduct business.

Boycotts

Supplier shall not participate in international boycotts that are not sanctioned by the United States (U.S.) government including those identified by the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), or applicable laws.

Anti-Corruption

Supplier shall not participate in bribes or kickbacks of any kind, whether in dealings with public officials, or individuals in the private sector.

Malibu Boats is committed to observing the standards of conduct set forth in the U.S. Foreign Corrupt Practices Act ("FCPA") and the anti-corruption and anti-money laundering laws of the countries in which Malibu Boats operates. Suppliers must comply with all applicable anti-corruption and anti-money laundering laws, including the FCPA, as well as laws governing lobbying, gifts, and payments to public officials, political campaign contribution laws, and other related regulations of the countries in which they operate.

Suppliers must not, directly or indirectly, offer or pay anything of value (including travel, gifts, hospitality expenses, and charitable donations) to any official or employee of any government, government agency, political party, public international organization, or any candidate for political office to improperly influence any act or decision of the official, employee, or candidate for the purpose of promoting the business interests of Malibu Boats.



Business Practices and Ethics

Malibu Boats expects the highest standards of ethical conduct in all our business dealings. Accordingly, Malibu Boats expects ourselves and our suppliers to conduct their business interactions and activities with honesty and integrity as described, but not limited to, the subjects below.

Business Integrity

Supplier shall not engage in corruption, extortion, embezzlement, or bribery to obtain an unfair or improper advantage. Supplier shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates, including the Foreign Corrupt Practices Act (FCPA) and applicable international anti-corruption conventions.

Business Records

Supplier will honestly and accurately record and report all business activities, health and safety, labor, environmental and other business information and comply with all applicable laws regarding their completion and accuracy. Supplier shall create, retain, and dispose of business records in full compliance with all applicable legal and regulatory requirements and shall disclose such information, without falsification or misrepresentation, as required. The supplier will be honest, direct, and truthful in discussions with regulatory agency representatives and government officials.

Conflicts of Interest

The supplier shall avoid all conflicts of interest or situations which give the appearance of a conflict of interest.

The supplier must report to Malibu Boats any and all instances involving actual or apparent conflicts of interest between your interests and those of Malibu Boats.

Suppliers must declare and identify any Malibu Boats' employee, spouse, domestic partner, family member or relative who holds a significant financial interest in the supplier or when one of the supplier's employee, spouse, domestic partner, family member or relative has a personal relationship with a Malibu Boats' employee who can make decisions impacting your business.

Insider Trading

Supplier shall comply with the Malibu Boats' Insider Trading Policy for Suppliers. Supplier shall avoid insider trading by not buying or selling company's securities when in possession of information about Malibu Boats that is not available to the investing public and that could influence an investor's decision to buy or sell the security.

Fair Competition

Malibu Boats practices and requires suppliers to also engage in fair competition practices.

As a supplier or potential supplier you must compete strictly on the basis of the merits of your products and services.

You must not pay a bribe or make a promise to pay a bribe (overtly or covertly) in any amount, to anyone, anywhere, for any reason whatsoever, whether on Malibu Boats' behalf, your behalf, or on behalf of others. Accordingly, you must never offer, promise, authorize, or provide, directly or indirectly, anything

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of value (including business gifts or courtesies) with the intent or effect of inducing anyone (including a Malibu Boats' customer, employee, associate, member of the Board of Directors, consultant or another supplier or sub-supplier) to forego their duties and provide unfair business advantage to Malibu Boats, you or others.

You must not engage in any anti-competitive conduct for any reason whatsoever, whether on Malibu Boats' behalf, your behalf, or on behalf of others. Accordingly, you must never rig bids, fix prices, or allocate customers or markets, or exchange Malibu Boats' or your competitively sensitive information with our competitors or your competitors. You must also refrain from abusing your market power, whether for your benefit or for the benefit of others, by refusing to deal, engaging in predatory or discriminatory pricing practices, conditioning the sale or provision of a particular product or service with that of another product or service, or undertaking similar abusive tactics.

You must not engage in other deceptive or unfair market practices, whether on Malibu Boats' behalf, your behalf, or on behalf of others. Accordingly, you must never make misrepresentations regarding Malibu Boats' products or services, your products or services, or the products or services of others.

You must not denigrate or disparage any competitor of Malibu Boats or of the supplier or potential supplier or their products or services. You should:

- promote your products and services through fair and accurate comparisons with your competitors and sell on the strength of your products, services, and your company's reputation;
- not engage in unfair, misleading, or inaccurate comparisons with your competitors' products and services;
- not make claims about a competitor's products or services unless the claims are relevant to the quality of competing products and services and based on the competitor's current published materials or other factual data;
- not comment on the character, financial condition, or potential legal or regulatory problems of competitors;
- not make negative remarks about entire groups of competitors, their products and/or services; and,
- treat all of your competitors fairly, honestly, and with respect.

Whistleblower Protection and Anonymous Complaints

Supplier shall provide an anonymous complaint mechanism for managers and workers to report workplace grievances, actual or suspected violations of law, and violations of this Code. Supplier shall protect whistleblower confidentiality and prohibit retaliation.

Gifts

While it is generally acceptable to give and receive customary business courtesies such as gifts, suppliers are under no obligation to provide Malibu Boats' employees with gifts, entertainment or services. Suppliers should not offer anything of value to obtain or retain a benefit or advantage for the giver, and do not offer anything that might appear to influence, compromise judgment, or obligate Malibu Boats or the employee. If offering a gift or entertainment, always use good judgment and discretion and consider the perception of others. There are certain guidelines that we require our suppliers to follow to ensure that the business courtesies are not considered excessive, inappropriate for a business relationship, constitute a bribe or kickback (real or perceived), create conflicts of interest (real or perceived) or place either party in a situation which is uncomfortable, as follows:

- The gift has not been solicited by the recipient.



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- Cash or its equivalent (such as gift cards) should never be given or received as a business courtesy.
- The frequency of prior gifts provided to the same recipient would not raise an appearance of impropriety.
- Gifts should be moderate in value.
- Gifts must comply with U.S., local and foreign laws, rules and regulations.
- Gifts should not embarrass the Company, the person receiving the gift or the person giving the gift.
- Gifts, if and when given, should be given directly to the employee and never indirectly to the employee's relative.
- The exchange of gifts (giving or receiving) is done in such a manner as to not raise an appearance of impropriety.
- Trips, payment of travel expenses, use of vacation homes, properties or assets and other gifts of excessive entertainment (whether related to business activities or not) are inherently compromising and should not be offered or accepted.
- The giving or receiving of gifts and/or entertainment of a sexual nature or having sexual overtures is prohibited.
- Gifts, of any type or size, should never be given or received in return for an express or implied promise by the recipient to provide business benefit.
- Gifts, of any type or size, should never be offered, given or received to any Malibu Boats' personnel from a supplier when said supplier is participating in a source selection activity including but not limited to Requests For Information, Requests For Quotation, Requests For Proposals or other such activities.

Hospitality (Meals and Entertainment)

While it is generally acceptable to give and receive customary business hospitality such as meals, refreshments and minor entertainment, suppliers are under no obligation to provide Malibu Boats' employees with hospitality, entertainment or services. Suppliers should not offer anything of value to obtain or retain a benefit or advantage for the giver, and do not offer anything that might appear to influence, compromise judgment, or obligate Malibu Boats or the employee. If offering a gift or entertainment, always use good judgment and discretion and consider the perception of others. There are certain guidelines that we require our suppliers to follow to ensure that the business courtesies are not considered excessive, inappropriate for a business relationship, constitute a bribe or kickback (real or perceived), create conflicts of interest (real or perceived) or place either party in a situation which is uncomfortable, as follows:

- The hospitality has not been solicited by the recipient.
- The hospitality is business related.
- The venue is in good taste and is appropriate as to time, place and type.
- The frequency of prior hospitality provided to the same recipient would not raise an appearance of impropriety.
- Hospitality should be appropriate and moderate in value for an ordinary working meal under local standards.
- Hospitality must comply with U.S., local and foreign laws, rules and regulations.
- The hospitality does not include spouses or other guests of the supplier or Malibu Boats' employee.
- Hospitality, of any type or size, should never be given or received in return for an express or implied promise by the recipient to provide business benefit.

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- Hospitality should not embarrass Malibu Boats, any person attending the event, or any other person in attendance near to but not directly attending the event, meal or entertainment (person or persons at adjoining tables, sites or locations).
- Hospitality, of any type or size, should never be offered, given or received to any Malibu Boats' personnel from a supplier when said supplier is participating in a source selection activity including but not limited to Requests For Information, Requests For Quotation, Requests For Proposals or other such activities.



Import / Export Control

Malibu Boats expects our suppliers and all relevant sub-suppliers to ensure that their business practices are in accordance with all applicable laws and regulations governing the export and import of domestic and foreign origin parts and components and related technical data.

Counterfeit Parts

Malibu Boats expects our suppliers and all relevant sub-suppliers to develop, implement, and maintain methods and processes appropriate to their products and services to minimize the risk of introducing counterfeit parts, components, assemblies, sub-assemblies and materials into the supply chain and potentially to Malibu Boats. Effective processes should be in place to qualify sub-suppliers and to detect counterfeit parts and materials, and ensure such, when found, are properly dispositioned and removed from the supply chain.

Responsible Sourcing of Minerals

Supplier shall exercise due diligence, in accordance with the Organisation for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, on its entire supply chain with respect to the sourcing of all tin, tantalum, tungsten, and gold contained in its products, to determine whether those metals are from the Democratic Republic of the Congo ("DRC") or any adjoining country and, if so, to determine whether those metals directly or indirectly financed or benefited armed groups that are perpetrators of serious human rights abuses in the DRC or an adjoining country.

Countries that adjoin the DRC are Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia.

We encourage our suppliers to source responsibly with validated conflict free smelters, wherever possible, to increase our level of confidence that the components in our products contain conflict free minerals.

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Sub-tier Suppliers

Malibu Boats expects our suppliers to have management systems in place to support compliance with laws, regulations, and expectations related to or addressed expressly within this Supplier Code of Conduct. We encourage our suppliers to implement their own written code of conduct and to flow down the principles of a code of conduct to the entities (sub-suppliers or sub-tier suppliers) that furnish goods and services to the supplier.



Labor Practices and Human Rights

Malibu Boats is committed to operating with full compliance of all employment and labor laws and utilizes fair employment practices in an environment of equal opportunity for its employees. In addition, Malibu Boats believes all workers within our supply chain deserve to work in an environment which is fair, safe, without duress and workers should be treated with dignity and respect. Malibu Boats expects our suppliers to share in this commitment.

As part of this commitment, Malibu Boats expects our suppliers to, without limitation, comply as described, but not limited to, the subjects below.

Antidiscrimination

Supplier shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, veteran status or any other status protected by country law, in hiring, compensation, access to training, promotion and other employment practices. Supplier shall not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety, and shall not improperly discriminate based on test results.

Anti-Harassment and Abuse

Supplier shall commit to a workplace free of harassment and abuse. Supplier shall not threaten workers with, or subject them to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment or physical abuse or discipline or the threat there-of.

Prevention of Involuntary Labor and Human Trafficking

Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor. Involuntary labor includes the transportation, harboring, recruitment, transfer, receipt, or employment of persons by means of threat, force, coercion, abduction, fraud, or payments to any person having control over another person for the purpose of exploitation.

Supplier shall not withhold workers' original government-issued identification and travel documents. Supplier shall ensure that workers' contracts clearly convey the conditions of employment in a language understood by the workers. Supplier shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities.

Supplier shall ensure that the third-party recruitment agencies it uses are compliant with the provisions of this Code and the law. Suppliers recruiting foreign contract workers either directly or through third party agencies shall be responsible for payment of all recruitment-related fees and expenses.

Supplier will not require workers to lodge "deposits" in any form including, but not limited to forfeiting or turning over their identity papers (government-issued identification, passports, or work permits) with their employer.

Workers should be free to resign their employment in accordance with local and national laws or regulations without unlawful penalty or fear of reprisal from employer.

Prevention of Underage Labor

The supplier shall comply with all local and national minimum working age laws or regulations and not use child labor. Supplier shall not employ workers who are under the age of 15 years, under the age for completing compulsory education, or under the applicable minimum legal age for employment, whichever is higher. Supplier may provide legitimate workplace apprenticeship programs for educational benefit. Workers under the age of 18 cannot perform hazardous work and may be restricted from night work, with consideration given to educational needs.

Student Worker Protections

Supplier shall ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and regulations. Supplier shall provide appropriate support and training to all student workers.

Working Hours

Suppliers shall not require workers to work more than the maximum hours of daily labor set by local and national laws or regulations. Suppliers must ensure overtime is voluntary and paid in accordance with local and national laws or regulations. Workers shall take at least one day off every seven days except in emergencies or unusual situations. Supplier shall follow all applicable laws and regulations with respect to working hours, days of rest and overtime.

Wages and Benefits

Supplier shall ensure that all workers receive at least the legally mandated minimum wages and benefits according to local and national laws and regulations. Supplier shall offer vacation time, leave periods, and time off for legally recognized holidays.

Supplier shall compensate workers for overtime hours at the legal premium rate. Supplier shall communicate pay structure and pay periods to all workers. Supplier shall pay accurate wages in a timely manner and supplier shall maintain accurate records of all wages and deductions.

Deductions from wages as a disciplinary measure will not be permitted nor will any deductions from wages not provided for by local or national law be permitted without the express, written permission of the worker concerned.

Supplier shall pay applicable legal wages under humane conditions. All workers must be provided with clear, written information about their employment conditions with respect to wages before they enter employment and as needed throughout their term of employment.

All use of temporary and outsourced labor will be within the limits of the local law.

Records

Supplier shall maintain records for each employee in accordance with local and national laws or regulations to include wages earned, deductions taken, dates paid and disciplinary actions (if applicable). Supplier shall provide in a timely manner, via pay stub or similar documentation, the basis on which employees are paid.

Non-Solicitation of Employees

Malibu Boats recognizes the time, efforts and costs associated with recruiting, training, developing and maintaining a qualified, dedicated employee base whether at Malibu Boats or at the supplier. Good, long term employees are valuable assets in which all entities within the extended supply chain must invest.

In order to ensure the maximum return on investment of these human assets, it is Malibu Boats' policy that, without obtaining prior written consent, neither the supplier nor Malibu Boats shall directly or indirectly, for itself or on behalf of another person or entity:

- a. knowingly solicit for employment any current employee of either Malibu Boats or the supplier or any of either's affiliates;
- b. knowingly induce, influence or encourage any current employee to terminate his or her employment with Malibu Boats or the supplier or any of either's affiliates; or,
- c. knowingly employ a current employee or engage a current employee of Malibu Boats or the supplier or any of either's affiliates, as an independent contractor.

Freedom of Association and Collective Bargaining

Supplier shall freely allow workers to associate with others, form, and join (or refrain from joining) organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment. In the absence of formal representation, supplier shall ensure that workers have a mechanism to report grievances and that supplier facilitates open communication between management and workers.



Malibu Boats considers the health, welfare and safety of its employees, contractors, agents and consultants and the employees, contractors, agents and consultants of its suppliers as paramount and of the highest priority. Malibu Boats expects its suppliers to share this priority and must, without limitation comply as described, but not limited to, the subjects below.

Working Conditions

Supplier shall provide a safe and healthy work environment and fully comply with all safety and health laws, regulations, and practices including those applicable to the areas of occupational safety, emergency preparedness, occupational injury and illness, industrial hygiene, physically demanding work, machine safeguarding, sanitation, food, and housing.

Adequate steps must be taken to minimize the causes of hazards inherent in the working environment.

Supplier shall provide workers with reasonably accessible and clean toilet facilities and potable water. When applicable, supplier-provided dining, food preparation, and storage facilities shall be sanitary. When applicable, worker dormitories provided by supplier or a third-party shall be clean and safe and provide reasonable living space.

Compliance

The supplier shall comply with all health and safety laws, regulations and guidelines regarding worker health safety and welfare for the country or countries within which the supplier resides.

Occupational Health, Safety, and Hazard Prevention

Supplier shall identify, evaluate, and manage occupational health and safety hazards through a prioritized process of hazard elimination, engineering controls, and/or administrative controls.

Supplier shall provide workers with job-related, appropriately maintained personal protective equipment and instruction on its proper use.

Working While Under the Influence of Controlled Substances

Supplier shall take all possible efforts to ensure employees conduct work while free from and not under the influence of controlled substances including but not limited to alcohol, illegal drugs, legal drugs and/or other substances which may render the person incapable of discretion and sound judgment.

Emergency Prevention, Preparedness, and Response

Supplier shall identify and assess potential emergency situations within and around their facility or facilities. For each situation, supplier shall develop and implement emergency plans and response procedures that minimize harm to life, environment, and property.

Incident Management

Supplier shall have a system for workers to report health and safety incidents and near-misses, as well as a system to investigate, track, and manage such reports. Supplier shall implement corrective action plans to mitigate risks, provide necessary medical treatment, and facilitate workers' return to work.

Ergonomics

Supplier shall identify, evaluate, and control worker exposure to tasks that pose ergonomic risk such as excessive force, improper lifting positions, or repetitiveness. Supplier shall integrate this process into the qualification of all new or modified production lines, equipment, tools, and workstations.

Health and Safety Communication

Supplier shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in the facility.

Worker Health and Safety Committees

Supplier is encouraged to initiate and support worker health and safety committees to enhance ongoing health and safety education and to encourage worker input on, and participation in, health and safety issues in the workplace.



Environmental Regulations and Protection

Malibu Boats manufactures products which are most enjoyed in the surroundings of a safe and thriving environment. Accordingly, Malibu Boats takes environmental responsibility extremely seriously and expects our suppliers to share in this commitment.

As part of this commitment, Malibu Boats expects our suppliers to, without limitation, comply with the following:

- All applicable environmental laws, regulations and guidelines regarding hazardous materials, air emissions, waste, and wastewater discharges, including the manufacture, transportation, storage, disposal, and release to the environment of such materials.
- Request, obtain, maintain, and keep current all required environmental permits and registrations and follow the operational and reporting requirements of such permits, schedules or registrations.
- Identify the chemicals or other materials being released that pose a threat to the environment and manage them appropriately to ensure their safe handling, movement, storage, use, recycling, or reuse and disposal.
- Implement a systematic approach to the identification, management, reduction and disposal of hazardous materials and associated materials and equipment.
- Adhere to all applicable laws, regulations, and requirements regarding prohibition or restriction of specific substances.
- Prevent contamination of storm water run-off from illegal discharges and spills.
- Endeavor to reduce or eliminate waste of all types, including water and energy, by implementing appropriate conservation measures in their facilities, through their maintenance and production processes, and by recycling, re-using, or substituting materials.
- Endeavor to reduce reliance on natural resources by implementing conservation, re-use and substitution measures.



Protection of Assets and Intellectual Property

Protection of Information and Intellectual Property (IP) is vital for all entities within the Malibu Boats' supply chain including all suppliers. Malibu Boats depends upon this (in the forms of information, data, processes and technology) in order to advance our products and provide our end-user customer with the best experience possible through enhanced products and services.

Malibu Boats expects all recipients of others' information and intellectual property, including suppliers, to respect their legitimate proprietary rights. Suppliers must take proper care to protect sensitive information, including confidential, proprietary and personal information. This information should not be used for any purpose other than the business purpose for which it was provided, unless the owner of the information has provided prior authorization. Similarly, a supplier should not share with anyone at Malibu Boats or any other person information related to any other company if the supplier is under a contractual or legal obligation not to share the information.

Malibu Boats expects suppliers to share the seriousness of the protection of all information and act accordingly, without limitation as described, but not limited to, the subjects below.

Confidentiality

It is essential that the supplier maintain confidentiality regarding information and trade secrets encountered when operating with and on behalf of Malibu Boats. As used in this code, "Confidential Information" includes, without limitation, all forms of intellectual property, trade secrets, new or existing product secrets or configurations, manufacturing equipment and processes, business plans and strategies, cost and pricing information, proprietary data, financial information, computerized documents and software, and the like. Confidential Information may not be released to or discussed with outside parties or with other employees who do not have a valid business reason to know the information. The use of Confidential Information and other proprietary information (whether Malibu's, the supplier's or a third party's) should be covered by a written confidential disclosure agreement or non-disclosure agreement.

Suppliers are required to disseminate Confidential Information only on a need to know basis and only after appropriate approvals have been secured.

Supplier and employees thereof must refrain from using Confidential Information for personal gain or advantage.

Supplier who possesses, have access to or otherwise handle Confidential Information are responsible for the reasonable security of the information and its handling during the course of their operations with Malibu Boats, including when such medium containing the information is taken from the work site in the course of performing their duties or otherwise. Suppliers who have been given access to confidential information as part of the business relationship should not share this information with anyone or any other supplier unless authorized to do so by Malibu Boats.

Supplier must be aware and agree that Malibu Boats retains legal ownership of all Confidential Information without regard for the form of the information.

Intellectual Property

It is essential that the supplier respect and protect the intellectual property rights of all parties including, but not limited to Malibu Boats, the supplier other suppliers and competitors, to include:

- Protect and responsibly use the physical and intellectual assets of Malibu Boats, including intellectual property, tangible property, supplies, consumables, and equipment, to the benefit of Malibu Boats and only when authorized.
- Protect and responsibly use the intellectual assets of Malibu Boats in the form of trademarks, registered trademarks, copyrights, etc eteras only after approval for use has been issued by Malibu Boats and then used in accordance with Malibu Boats' policy, guidelines and/or instructions.
- Comply with the intellectual property ownership rights of Malibu Boats and others including but not limited to copyrights, patents, trademarks, and trade secrets; and manage the transfer of technology and know-how in a manner that protects these intellectual property rights.
- Use all provided intellectual property only for the specific purpose for which it has been supplied.
- Comply with current non-disclosure requirements as required by Malibu Boats and ensure that supplier has a current non-disclosure agreement in place with Malibu Boats.
- Ensure that any third party of the supplier is bound by a non-disclosure agreement and that said third party has been made aware of the restrictions of use and disclosure when subjected to intellectual property.
- Supplier shall ensure that employees, contractors, sub-suppliers and others have been informed and when applicable trained in the requirements for handling, safeguarding and using intellectual property.

Use of Malibu Boats' Logos, Marks, Designs and Intellectual Property

Suppliers, sub-suppliers, potential suppliers or potential sub-suppliers may not utilize any Malibu Boats' logo, trademark, sales mark, mark, design, artwork or other property without first receiving written permission from Malibu Boats. For products designed and approved to include logos, marks or artwork this approval comes in the form of the issued purchased order or orders for the specific product.

Suppliers having a legitimate reason for requesting such authorization for use, other than those products designed to include such as indicated above, should contact the supply chain representative at the appropriate operating division.



Management Commitment

Malibu Boats believes that sound management systems and execution commitment are key to enriching the social and environmental well-being of our supply chain. Supplier shall implement or maintain, as applicable, a management system that facilitates compliance with this code and the law, identifies and mitigates related operational risks, and facilitates continuous improvement.

Management Accountability and Responsibility

Supplier shall identify company representatives responsible for ensuring implementation, maintenance and periodic review of its management systems.

Risk Assessment and Management

Supplier shall develop and maintain a process to identify labor and human rights, health and safety, environmental, business ethics, and legal compliance risks associated with its operations and shall determine the relative significance of each risk. Supplier shall implement appropriate procedures and controls to mitigate or eliminate the identified risks and prevent recurrence.

Communications with Malibu Boats

Supplier shall ensure that it is responsive to Malibu Boats and communicates proactively, responsibly and timely as required to ensure parties exchange information critical to good business practices.

Supplier shall ensure that communications with or on behalf of Malibu Boats (including telephonic, electronic, written, verbal or any other method) is appropriate for the intended audience, not contain offensive or harassing language or subject matter and not violate any laws, regulations, rules or commonly accepted business appropriateness.

Performance Objectives with Implementation Plans and Measures

Supplier shall have written standards, performance objectives, targets, and implementation plans, including periodic assessments of the performance against those objectives.

Audits and Assessments

Supplier shall perform periodic evaluations of its facilities and operations, and the facilities and operations of its subcontractors and next-tier suppliers to ensure compliance with this code and the law.

Supplier shall permit Malibu Boats and/or a third party designated by Malibu Boats to periodically evaluate the supplier's facilities and operations, and those of its subcontractors and next-tier suppliers, to the extent they are providing goods or services to Malibu Boats.

Documentation and Records

Supplier shall have processes to identify, understand, and implement applicable laws and regulations and requirements of this Code. Suppliers shall maintain documents and records to ensure regulatory compliance.

Supplier Code of Conduct

Worker Training and Communications

Supplier shall develop and maintain management and worker training programs to facilitate proper implementation of its policies and procedures and to fulfill supplier's continuous improvement objectives.

Supplier shall have a process for communicating clear and accurate information about its performance, practices, policies, and expectations to its workers, next-tier supplier(s), and customers.

Supplier shall have an ongoing process to obtain feedback on its practices related to this code and to foster continuous improvement.

Continuous Improvement

Supplier shall engage at all times in the practice and execution of continuous improvement.

These continuous improvement efforts may include but should not be limited to those requested or required by Malibu Boats. Instead, continuous improvement should be cultural in nature for the supplier and considered never ending. Continuous improvement activities shall be ongoing and address specific topics or generically aimed within the supplier's business at process simplification and the elimination of process waste.

Corrective Action Process

Supplier shall have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.



Questions

For questions or concerns relating to Malibu Boats' Supplier Code Of Conduct, including its application to specific circumstances in connection with your organization's performance of work or suspected failures by your organization to satisfy these expectations in performing work, please contact the appropriate supply chain representative at the appropriate Malibu Boats' operating division.

Reporting Questionable Behavior

If you wish to report questionable behavior or a possible violation of the Supplier Code of Conduct, you are encouraged to work with your primary Malibu Boats' Supply Chain contact in resolving your concern. If that is not possible or appropriate, you may report such using any of the following methods:

- a. Anonymous Hotline: 855-400-6002
- b. Website: www.lighthouse-services.com/malibuboats
- c. Email: reports@lighthouse-services.com (ensure you include the company name in your report)
- d. Facsimile: 215-689-3885 (ensure you include the company name in your report)

Malibu Boats will maintain confidentiality to the extent possible and will not tolerate any retribution or retaliation taken against any individual who has, in good faith, sought out advice or reported questionable behavior or a possible violation of this Supplier Code of Conduct.





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