

# AVNET GLOBAL ANTI-CORRUPTION POLICY

## 1. Introduction

Avnet, Inc. and all of its subsidiaries and affiliated entities (“Avnet” or “we,” “us” or “our”) are committed to being good corporate citizens everywhere we conduct business. We will act legally, ethically and in accordance with our Core Values. That includes compliance with all anti-corruption laws and regulations that prohibit corrupt business practices – such as bribery – everywhere we conduct business. Some of these laws are applicable worldwide – for example the U.S. Foreign Corrupt Practices Act and the UK Bribery Act – while others are local country laws that prohibit both public and private sector corruption.

The purpose of this Global Anti-Corruption Policy (“Policy”) is to provide standards and procedures that will help ensure that all employees, officers, directors, agents and anyone acting on behalf of Avnet worldwide (“you” or “your”), comply with applicable laws against corruption and maintain Avnet’s reputation for ethical business practices. This Policy applies to everyone who works for or on behalf of any Avnet subsidiary in any position, including third parties.

## 2. Application & Interpretation of this Policy

This Policy, together with the applicable and approved **R&As** for the various business units and regions, summarizes Avnet’s global minimum standards with regard to anti-corruption and anti-bribery measures.

Avnet’s business units may adopt policies and procedures that are more restrictive than those included in this Policy. In addition, each Avnet business unit must consider any local laws and regulations that may impose additional or stricter requirements. If local laws or regulations establish a different standard than contained in this Policy, or in the event of a conflict or inconsistency between a provision of this Policy and a provision of any **R&A** or other policy, the more stringent standard applies.

Throughout this Policy, certain defined terms have been highlighted in bold type. Definitions of these terms are contained in the attachment to this Policy. Lists and examples stated in this Policy are for illustration only and are not exhaustive.

## 3. General Principle: Bribery is Prohibited

Avnet prohibits the payment of **Bribes** to anyone for any reason without exception. This means that you may not give or pay **Anything of Value** to anyone for the purpose of improperly obtaining or retaining business, of improperly influencing the actions or decisions of a **Third Party**, or of otherwise securing an improper advantage from anyone.

You may not:

- give or pay a **Bribe** (direct bribery), or authorize, coordinate or implicitly condone the giving or payment of a **Bribe** through a **Third Party** (indirect bribery); or
- offer or promise a **Bribe** (direct bribery), or authorize, coordinate or implicitly condone the payment of a **Bribe** through a **Third Party** (indirect bribery); or
- solicit or accept a **Bribe** from any **Third Party**.

You must take reasonable steps to help ensure that Avnet’s business partners and other **Third Parties** comply with applicable anti-corruption laws in any activity carried out for Avnet, on behalf of Avnet, or for Avnet’s benefit.

To help you to spot a **Bribe**, this Policy provides guidance on certain types of receipts and expenses. Additional details, including threshold figures, are defined by your regional or business unit Finance team in the **R&As** supporting this Policy. The Intranet page of the Ethics & Compliance Office provides additional job aids and guidance to answer questions you may have on this topic.

This Policy applies to all payments made, processed or administered by Avnet whether the benefit given is financed by Avnet or by a **Third Party** such as through supplier funds.

## 4. What You May Give: Gifts, Gratuities, Travel, and Entertainment

### 4.1. General

Generally you may give or offer **Gifts, Gratuities, Travel or Entertainment to Third Parties** if:

- it is not prohibited by applicable law (when in doubt, you must confirm applicable legal restrictions with local legal counsel);
- it is not prohibited by any other provision of this Policy (including Section 4.3 below on **Gifts, Gratuities, Travel or Entertainment for Government Officials**);
- it is permitted by the applicable **R&A** for the business unit and region, and it has been approved in line with the rules defined in that **R&A**;
- it is accurately recorded in Avnet's books and records;
- it is directly related to the promotion, demonstration or explanation of products and services;
- it is reasonable in cost and not frequent; and
- it is not given or offered in exchange for improper favorable treatment.

Take particular care when providing **Gifts, Travel or Entertainment** to persons who do not have direct business dealings with Avnet, such as **Family Members** or colleagues of business partners who are not themselves involved in Avnet business.

Do not give or offer **Gifts, Gratuities, Travel or Entertainment** expenditures or **Anything of Value** to any **Third Party** without proper approval per the applicable **R&A**. Be aware that you may need to get this approval before offering or promising anything to the **Third Party**.

### 4.2. Non-government recipients

#### 4.2.1. Gifts and Gratuities

In many countries, **Gifts** play an important role in business protocol and custom. However **Gifts** and **Gratuities** may be against the law so you must give them wisely. In addition to internal policies (for example, **R&As**), the following principles must be followed when giving **Gifts** or **Gratuities** to any **Third Party**:

- **Gifts** and **Gratuities** should be of modest value, and consistent with the status of the recipient. In no case should a single **Gift** be so great in value as to create the impression that it is a **Bribe** or other improper payment.
- No **Gift** or **Gratuity** should violate any country's laws or customs. You should also consider the rules and policies of the company employing the **Third Party** if they are available to you.
- If the **Gift** could bear the Avnet logo, consider adding the logo so that the **Gift** is easily identified as an appropriate company gesture. However, simply adding the Avnet logo does not make the **Gift** permissible if it would not otherwise be permissible without the logo.
- Do not give **Cash**.
- Take extra care to ensure that the recording of the expenditure associated with any **Gift** or **Gratuity** is accurate and complete, identifies the recipient and clearly reflects the purpose of the expenditure.
- Be aware that raffle prizes or similar marketing giveaways should be treated as **Gifts** to which you must apply the relevant **R&A**.

### 4.2.2. Entertainment

In many countries, **Entertainment** is customary and plays an important role in developing business relationships and in the conduct of business generally. Poorly-chosen **Entertainment**, however, may expose Avnet to suspicion and/or liability. In addition to internal policies (for example, **R&As**), the following principles must be followed when providing **Entertainment** to a **Third Party**:

- Only provide **Entertainment** when it accompanies legitimate business discussions.
- Follow local custom and law regarding **Entertainment**.
- Document accurately all **Entertainment** (including who was entertained and why), and submit receipts, invoices or other similar records showing actual cost.
- Avoid **Entertainment** that appears lavish or extravagant per local standards.

### 4.2.3. Travel

Payment for **Third Party Travel**, including when **Travel** is related to training, marketing or incentive events, is allowed if:

- it is in compliance with applicable law;
- it is in compliance with the **Third Party's** own rules known to Avnet;
- if it is for a business-related purpose; and
- if it has been approved in line with the applicable **R&A**.

## 4.3. Additional Guidelines relating only to Government Officials

All remarks under 4.2 above also apply to **Gifts, Gratuities, Travel** or **Entertainment** given to **Government Officials**. In addition, the guidelines below should be followed.

### 4.3.1. Gifts

- Be aware that **Government Officials** are often subject to very strict rules about accepting **Gifts**.
- Multiple **Gifts** – whether given by the same person or different individuals – can cause suspicion. You should avoid giving multiple **Gifts** to a particular **Government Official** on the same occasion. For example, no more than one **Gift** should be given to an employee of a government-owned or -controlled enterprise in connection with a customary holiday, such as Christmas or the Chinese New Year.
- You should also avoid giving multiple **Gifts** to the same **Government Official** over the course of a twelve month period (for example, small **Gifts** given in connection with multiple holidays and/or in addition to **Entertainment**). If you give multiple **Gifts** to the same **Government Official**, the cumulative value of all the **Gifts** must be recorded in line with the applicable **R&A** and must not exceed any maximum value set out in that **R&A**.
- **Gifts to Family Members** of a **Government Official** count as **Gifts** to the **Government Official** for the purposes of evaluating the total value of **Gifts** given to that **Government Official**.

### 4.3.2. Gratuities

**Gratuities** to **Government Officials** or their **Family Members** are prohibited.

### 4.3.3. Entertainment

As with **Gifts**, you should avoid providing multiple **Entertainment** to the same **Government Official**. Although it may be reasonable to provide a few modest meals to an individual or group of **Government Officials** incidental to business discussions, providing one **Government Official** or several **Government Officials** with frequent **Entertainment** can be improper activity.

#### 4.3.4. Travel and Per Diems

- Due to resource constraints under which **Government Officials** often operate, they may request that Avnet provide **Travel** costs, for example, related to training events. The provision of any **Travel** to **Government Officials** must still be consistent with this Policy, even if we are contractually required to provide it.
- If **Travel** relates to training events, the training portion of any related event program must represent a substantial amount of each day of the program (for example, at least six (6) training hours per day).
- All **Travel** offered or provided to **Government Officials** must comply with the following guidelines:
  - Document the business purpose of each trip or program.
  - Exercise extreme caution for any **Travel** to tourist destinations.
  - Do not select the **Government Officials** who will attend; rather let the **Government Officials'** employer select the individual attendees.
  - You should not pay for accompanying **Family Members** or other guests of an attending **Government Official**.
  - The **Government Official's** employer should pay **Travel** expenses when possible.
  - If Avnet is making the payments, then Avnet should pay all service providers directly, and not reimburse the **Government Officials**, themselves.
  - Make reimbursements for incidental expenses through the **Government Official's** employer and only upon presentation of a written receipt.
  - Do not give or agree to give **Cash** or **Per Diems** to attendees.
  - You may provide reasonable **Gifts, Entertainment**, or accommodations.
  - Sponsored activities should consist primarily of business-related activities.
  - All expenses should be modest and approved in accordance with the applicable **R&A**.
  - You should record and make mandatory the attendance of the **Government Officials** at the business activities.
  - Accurately record and describe all expenditures in Avnet's books and records.
- Sometimes **Government Officials** may request that Avnet provide them with **Per Diems** to cover their incidental expenses during the training. Due to the associated legal and regulatory risks, providing **Per Diems** to **Government Officials** is generally prohibited. Please notify the Ethics & Compliance Office promptly if you are aware of an existing contract or other arrangement with a **Government Official** that involves payment of **Per Diems**.

### 5. What You May Accept or Receive: Gifts, Gratuities, Travel, Training, Entertainment and Product Samples

Occasionally a **Third Party** may offer you **Gifts, Gratuities, Travel** or **Entertainment**. Whether you may accept those offers depends on their circumstances, value, and purpose. For example, if a supplier invites you to a training session on the supplier's products and offers to provide **Travel** and accommodation for the duration of the training event, this is likely permissible, subject to management approval. The same **Travel** and accommodation offered for a period longer than the duration of the training event or unconnected to any business event is less likely to be permissible.

Occasional **Gifts** of nominal value that bear the corporate branding of the **Third Party** are usually acceptable. You may not accept **Cash** or **Gratuities**. You must also never solicit **Gifts, Gratuities, Travel** or **Entertainment** for your personal benefit from a **Third Party**.

Generally Avnet permits you to accept **Gifts, Travel** and **Entertainment** from **Third Parties** (but not **Government Officials**) with which Avnet does business, if:

- it is unsolicited;
- it is justified by a clear and legitimate business purpose, such as the promotion, demonstration or explanation of the **Third Party's** products or services, or the execution or performance of a contract;

- it is not or does not appear to be offered to influence or reward an action or decision or to obtain any improper advantage (for example, you should not accept while you are deciding whether to award a contract to the **Third Party**);
- it is reasonable in nature and amount, appropriate to the occasion, and not likely to be viewed by reasonable observers as a **Bribe**;
- when taken together with the **Gifts, Travel and Entertainment** previously provided to you by the same **Third Party**, it will not create suspicions of impropriety;
- it does not impose a sense of obligation on you, nor give rise to an expectation that anyone will receive anything in return;
- it does not violate any applicable laws; and
- it is approved per the applicable **R&A**.

Approval requirements for accepting **Gifts, Travel or Entertainment** are provided in the applicable **R&A**.

Product samples or free demonstration, testing or surplus equipment may not be accepted as the property of any individual Avnet employee. Such goods must be given to Avnet as a company and must be accurately recorded in Avnet's books or commercial documentation as its property.

## 6. Facilitation Payments

Avnet strictly prohibits **Facilitation Payments** in accordance with the laws of most countries where Avnet conducts business. Under no circumstances should anyone attempt to make such a payment on behalf of Avnet. If you believe that a **Government Official** is demanding and/or requesting a **Facilitation Payment**, you must notify the Ethics & Compliance Office or the regional legal department immediately.

## 7. Political Contributions and Activities

As stated in Avnet's Code of Conduct, you should never use Avnet funds, equipment, products, facilities or other benefits to seek an illegal or improper advantage with any public official, candidate, or political organization. You may not make contributions of any value to political campaigns or candidates or to fund party political activities on behalf of Avnet.

## 8. Charitable Contributions

Donations to charitable organizations and certain types of event sponsorships - whether by donation of goods or money - are part of good corporate citizenship.

If you donate to organizations in which a **Government Official**, vendor, supplier, customer or other business partner, or their respective **Family Members**, are beneficiaries or hold a position, this could be problematic. For example, donations made to a charity associated with a **Government Official** could be considered a benefit for that **Government Official**. Similarly, a contribution made to help "sponsor" a charitable or community event organized by a person associated with a **Third Party** without a clear marketing/advertising benefit to Avnet may also be suspect and should be reviewed as a donation instead of an arms-length marketing sponsorship.

Any donation made to a charity or event associated with either a **Government Official** or an individual representative of a business partner must be pre-approved by the Ethics & Compliance Office in accordance with the applicable **R&As** and any applicable policy on donations.

## 9. Sales or Marketing Incentives

While **Sales or Marketing Incentives** offered to **Third Parties** are not categorized as **Gifts**, they can be regarded as inappropriate benefits if they are not fully documented and approved in line with applicable policies and **R&As**. **Sales or Marketing Incentives** should only be awarded on the basis of a written incentive program approved by the recipient's employer. This applies whether the **Sales or Marketing**

**Incentive** is funded by Avnet or by a **Third Party** such as a supplier. Further details may be set out in a separate policy.

## 10. Accurate Books and Records

We are under a strict legal obligation to ensure that our books, records and other business documents reflect all transactions accurately and in reasonable detail, regardless of amount. You may not make false, misleading, incomplete, inaccurate or artificial entries in the books, records or accounts of Avnet, nor establish or maintain any undisclosed or unrecorded funds or assets for any purpose. For the same reason, you must comply with Avnet policy and obtain required approvals with respect to the pricing, discounting, rebate and payment terms of all commercial transactions, as well as uses of other benefits such as supplier funds (for example, marketing development, incentive or pass-through funds). Supplier funds may only be used for the purpose disclosed, recorded and authorized in Avnet's business records and for no other purpose.

## 11. Reporting Violations and Requests for Bribes

You must be alert to any activity that fails to comply with this Policy, or with any applicable anti-corruption laws. If you have doubts or questions regarding this Policy, you should discuss them with your supervisor, a Code of Conduct Advisor or the legal department, or contact the Ethics & Compliance Office in person, by phone, email (ECO@avnet.com) or through the Avnet Ethics Alertline.

A failure to act on observations of potentially illegal behavior can put Avnet, your colleagues and yourself at considerable legal risk. Because of this risk, failure to report such information can be cause for disciplinary action against you, up to and including termination of employment or other relationship with Avnet, subject to applicable labor laws.

Avnet will not allow any retaliation or harassment against you if you raise a concern or report a violation in good faith.

You should also notify the Ethics & Compliance Office of any circumstances that may constitute a request or offer for the payment of a **Bribe** by a **Third Party**. We will act to help protect you from any undue pressure from business partners.

## 12. Penalties and Discipline

Violations or the perception of violations of anti-corruption laws can be damaging not only to Avnet's reputation, but to all of our reputations. Criminal, civil and regulatory penalties for violations of anti-corruption laws can be imposed not only on Avnet, but also on you and your colleagues, including imprisonment and/or fines. For this reason, any intentional or careless violation of this Policy will result in appropriate disciplinary action by Avnet up to and including termination of your employment or any other relationship with Avnet, subject to applicable labor laws.

## 13. Deviations

Any deviation from this Policy requires the prior written approval of the Ethics & Compliance Office and the VP of Finance for the relevant regional business unit.

## 14. Responsibilities

- The Ethics & Compliance Office is responsible for the issuance, version control, updates and interpretation of this Policy; for reviewing and approving exceptions to it; and for reporting material incidents or violations of this Policy to the Avnet Leadership Team and/or the Audit Committee of Avnet's Board of Directors.

- Senior business executives (business unit leaders) are responsible for enforcing this Policy.
- The senior regional financial officers are responsible for communicating **R&As** and updating them when needed, and for ensuring that payments or reimbursements are reviewed, monitored and approved as prescribed in this Policy and related **R&As**.
- Managers are responsible for ensuring that their employees are aware of and understand this Policy.
- It is the responsibility of all Avnet employees to understand and adhere to this Policy.
- Avnet is committed to maintaining and continually improving its anti-corruption management system consisting of this Policy, appropriate training, the responsibilities listed in this Section 14 and other internal controls related to implementation and enforcement of this Policy.

## References

Avnet Code of Conduct

R&A Guidelines

Job Aid: *Who is a **Government Official**?*

## Attachment - Definitions

For purposes of this Policy, the following terms have the meanings indicated:

“**Anything of Value**” is broadly construed and refers to anything the individual recipient would find valuable, beneficial or useful for themselves or their friends, **Family Members** or associates. It is not limited to cash, traditional forms of payment, or tangible items of economic value. Some examples include the following:

- **Cash, Gratuities** or equivalents;
- **Gifts**;
- **Entertainment**;
- **Training or Travel**;
- Promises of business, employment, social or investment opportunities;
- Personal discounts, credits (other than company-provided and contractually agreed discounts or rebates), kickbacks, “finder’s fees” or non-contractual commissions;
- Assistance to, support of, or other benefits for **Family Members**;
- Payment of medical expenses;
- Sponsorships with no legitimate marketing/promotional benefit;
- Product samples or free demonstration, testing or surplus equipment provided to an individual rather than to a company;
- Political contributions; and
- Charitable contributions.

“**Bribe**” means **Anything of Value** that is directly or through a **Third Party** given, offered or promised to anyone for the purpose of improperly obtaining or retaining business, improperly influencing the actions or decisions of the recipient, or otherwise securing an improper advantage from anyone. For purposes of this Policy, this definition includes **Facilitation Payments**.

“**Cash**” means money or monetary instruments such as pre-loaded credit cards, cheques, traveler’s cheques, wire transfers and virtual or digital currency.

“**Cash Equivalent**” means instruments that can be converted into goods or services, or into a discount on goods or services, such as vouchers or gift cards for specific goods or services or linked to specific retail or company issuers.

“**Entertainment**” refers to meals and/or business **Entertainment**, including attendance at sports or cultural events, where the recipient is accompanied by one or more Avnet representatives (when given) or where you are accompanied by the giver (when received). Tickets to events that are to be attended by the recipient without the giver’s presence are classified as **Gifts** under this Policy.

A “**Facilitation Payment**” refers to unofficial payments made to a **Government Official** or other person in order to secure or expedite the performance of a routine or necessary action. They are sometimes referred to as “grease payments.”

A “**Family Member**” refers to the children, spouse, grandparents, parents, siblings, nieces, nephews, aunts, uncles, first cousins and the spouses of any of these people, and any other individuals who share the same household as the person in question.



A “**Gift**” refers to **Anything of Value** given to the recipient without compensation, expectation of payment or having been earned. This includes tickets to sporting or cultural events if the giver does not attend the event together with the recipient.

A “**Gratuity**” refers to a tip, usually in the form of money, given to a person in return for some service or favor.

A “**Government Official**” refers to any of the following individuals:

- A public or government officer or employee, whether legislative, administrative, judicial or other;
- Any employee, officer or representative of a national, state, provincial or local government, or any department, agency or instrumentality thereof;
- Any person acting in an official capacity for or on behalf of any government or department, agency or instrumentality thereof;
- Any officer, employee or representative of a public international organization, such as the World Bank, a regional development bank, the International Olympic Committee, the Red Cross or Red Crescent, or the United Nations;
- Any employee, officer or representative of a business that is owned, in whole or in significant part, or controlled by any national, state, provincial or local government, or any department, agency or instrumentality thereof, such as a university, hospital or utility company in certain countries;
- A member of the royal or ruling family of a country;
- An officer or employee of a political party or any party official;
- A political party; and
- Any candidate for political office.

In some parts of the world (for example, China) where government ownership of, control over or influence on, companies is very common, most **Third Parties** with whom you transact business directly or indirectly should be considered **Government Officials** for the purposes of this Policy.

Please also refer to the job aid “*Who is a Government Official?*”, which can be found on the Intranet page of the Ethics & Compliance Office.

A “**Per Diem**” is a daily cash payment usually designed to cover certain travel expenses such as taxi fares or meals.

“**R&A**” means the Responsibility and Authority guideline document in which the senior financial officer of your business unit and/or region has specified the authority levels and, where applicable, authorization procedures required for the types of expenses mentioned in this **Policy**.

A “**Sales or Marketing Incentive**” is a benefit in cash or kind which is offered to individual employees of **Third Party** companies as a reward for reaching performance goals or given as a marketing/promotional award at a marketing event or through a marketing incentive program. It does not include financial incentives given to a **Third Party** company in the form of, for example, volume discounts or rebates, and which are directly set off against that **Third Party**’s account with Avnet.

“**Third Party**” refers to any company that is not a subsidiary of Avnet, or any individual who is not an employee of Avnet - for example, a customer, end user, supplier, vendor, reseller, agent, advisor, consultant, or an employee of any of these. It also includes individuals who work for Avnet but who are not employees of Avnet, such as consultants and freelancers.

“**Travel**” refers to travel, transportation, accommodation and directly travel-related expenses such as meals.