



# **Channel Member Code of Conduct**

Last Updated March 2017

At Apple, we believe in doing business ethically, honestly, and in full compliance with all laws and regulations. Apple requires businesses that associate themselves with our brand through the resale or distribution of our products to uphold these same high standards. To that end, Apple requires all authorized resellers, distributors, carriers, and service providers (“Channel Members”) worldwide to adhere to this Channel Member Code of Conduct (“Code”). Apple conducts due diligence and periodic monitoring of channel members to ensure compliance with the Code and with other Apple policies, including but not limited to, its Anti-Corruption Policy and Export Compliance policies. As a condition of doing business with Apple, you consent to such due diligence and monitoring. Any violation of the Code or Apple policy will constitute the basis for the immediate termination of your agreements with Apple, pursuant to applicable laws, and without liability to Apple.

## Apple’s Principles of Business Conduct

Apple’s success is based on creating innovative, high-quality products and services. We strive to demonstrate integrity in every business interaction. Apple’s Principles of Business Conduct define the way we do business worldwide and must also define the way our Channel Members operate.

These principles are:

- **Honesty.** Demonstrate honesty and high ethical standards in all business dealings.
- **Respect.** Treat customers, suppliers, employees, and others with respect and courtesy.
- **Confidentiality.** Protect the confidentiality of Apple’s information and the information of our customers, suppliers, and employees.
- **Compliance.** Ensure that business decisions comply with all applicable laws and regulations.

## Your Responsibilities

Apple’s Code applies to all Channel Members. It is a Channel Member’s obligation to comply with this Code. Channel Members are responsible for establishing policies and monitoring practices so that all your employees, independent contractors, consultants, and all others who do business for or on your behalf understand and comply with all provisions of this Code.

## Ethics and Legal Compliance

Channel Members must be committed to high standards of ethical conduct in all business dealings and must comply with all applicable legal requirements. Channel Members must demonstrate integrity in every business interaction. Apple expects Channel Members to avoid engaging in any activity that involves even the appearance of impropriety.

### **Corruption, Extortion, Bribery or Embezzlement**

Corruption, extortion, bribery or embezzlement, in any form, is strictly prohibited. It may result in the immediate termination of the Channel Member's business relationship with Apple and possibly additional legal action.

Without exception, Channel Members worldwide must conduct their activities in full compliance with the anti-corruption and anti-bribery laws of the country, or countries, in which they are operating and with the United States Foreign Corrupt Practices Act, the UK Bribery Act, and the principles of the OECD Convention on Combating Bribery of Foreign Public Officials.

Channel Members may not, directly or indirectly through a third party, pay, offer, promise to pay, or receive bribes or kickbacks from any individual, whether that individual is a public official or a private party. A public official is any person who is paid with government funds. This includes individuals who work for a local, state/provincial or national government, or a public international organization, as well as employees of public (government-owned or operated) schools and state-owned enterprises. Employees at such organizations are considered public officials regardless of title or position.

### **Bribes**

A bribe is offering or giving anything of value to any person for the purpose of obtaining or retaining business, or securing an improper advantage. Anything of value includes cash, cash equivalents, meals, or entertainment, and may also include a promise or other intangible benefit.

### **Kickbacks**

A kickback is a payment or anything of value given to individuals after a transaction, typically for providing a discount or arranging high volume in a sales agreement.

### **Facilitating Payments**

Facilitating payments are small payments to a public official to expedite or secure the performance of routine, nondiscretionary government action. These types of payments are typically demanded by low-level officials in exchange for providing a service to which you are entitled even without the payment. Facilitating payments are not permissible and strictly prohibited by Apple except in limited circumstances (e.g., imminent threat to health or safety).

### **Money Laundering**

Channel Members may not engage in or assist others in concealing illicit funds or money laundering activities. The following are sample indicators of money laundering that merit further investigation of Channel Members:

- Attempts to make large payments in cash
- Payments by someone who is not a party to the contract
- Requests to pay more than provided for in the contract
- Payments made in currencies other than those specified in the contract
- Payments from an unusual, nonbusiness account

### **Trade Restrictions, Export Controls, and Customs**

All transactions must comply with United States export and customs laws and additional export and customs laws in the countries where business is being conducted. Channel Members whose business activities involve the sale or shipment of Apple products, technologies, or services across international borders must understand and ensure compliance with all laws or restrictions that apply in connection with those activities.

## Fair Business, Advertising, and Competition Practices

Channel Members must uphold fair business standards in advertising, sales, and competition.

### Competition and Sales Practices

Apple is committed to adhering to applicable antitrust or competition laws. Unfair methods of competition and deceptive practices involving Apple products are prohibited. Laws regulating competition and trade practices vary around the world, but certain activities, such as price fixing or agreeing with a competitor to allocate customers, are almost always illegal. Channel Members must understand and ensure compliance with all competition and trade practices laws or restrictions that apply in connection with their business activities.

### Obtaining and Using Business Intelligence

Channel Members who collect information on customers and markets in which they operate must do so only through legitimate means. Channel Members must not seek business intelligence by illegal or unethical means.

## Records Accuracy and Information Protection

### Accuracy of Records and Reports

Accurate records are critical to meeting legal, financial, and management obligations. Channel Members must ensure that all records and reports that they provide to Apple, or to any government or regulatory body that reflects business with Apple, are prepared in reasonable detail to accurately reflect the operations of its business and dispositions of its corporate assets, and are full, fair, accurate, timely, understandable, and compliant with applicable legal and financial standards. Channel Members must never misstate facts, omit critical information, or modify records or reports in any way to mislead others, or assist others in doing so.

### Privacy

Apple is committed to ensuring the privacy of the end-user customers of Apple products and services. Apple's Privacy Policy covers the collection, use and disclosure of personal information that may be collected by Apple, a copy of which may be found at <http://www.apple.com/privacy>. Channel Members are required to comply with all privacy laws and regulations. Minimally, Channel Members must take appropriate precautions — including administrative, technical, and physical measures — to safeguard customers' personal information against loss, theft, and misuse, as well as unauthorized access, disclosure, alteration, and destruction. Failure to protect customer private information may damage Apple's relations with its customers and may result in legal liability for Channel Members.

### Confidentiality of Apple Information

One of Apple's greatest assets is information about our products and services, including future product offerings. Channel Members must strictly abide by all nondisclosure agreements and other agreements regarding the confidentiality of information. Channel Members must not comment on Apple business matters, including any programs, policies, or contract terms.

### Protection of Intellectual Property

Channel Members must respect the intellectual property rights of Apple and third parties and may not knowingly use the intellectual property of any third party without permission or legal right.

## Labor and Human Rights

Channel Members must uphold the human rights of workers, and treat them with dignity and respect as understood by the international community.

### **Discrimination**

Channel Members may not discriminate against any worker based on race, color, age, gender, sexual orientation, ethnicity, disability, religion, political affiliation, union membership, national origin, or marital status in hiring and employment practices such as applications for employment, promotions, rewards, access to training, job assignments, wages, benefits, discipline, termination, and retirement. Channel Members may not require a pregnancy test or discriminate against pregnant workers (subject to requirements of applicable laws and regulations). In addition, Channel Members may not require workers or potential workers to undergo medical tests that could be used in a discriminatory way except where required by applicable law or regulation or prudent for workplace safety.

### **Harsh Treatment and Harassment**

Channel Members must be committed to a workplace free of harassment. Channel Members may not threaten workers with or subject them to harsh or inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental coercion, physical coercion, or verbal abuse.

### **Wages and Benefits**

Channel Members must pay their workers at least the minimum wage required by applicable laws and regulations and provide all legally mandated benefits. In addition to their compensation for regular hours of work, Channel Members' workers must be compensated for overtime hours at the premium rate required by applicable laws and regulations. Channel Members may not use deductions from wages as a disciplinary measure. Workers must be paid in a timely manner, and the basis on which workers are being paid must be clearly conveyed to them in a timely manner. Channel Members must maintain accurate records of employee hours worked and wages paid.

### **Child Labor**

Child labor is strictly prohibited. Channel Members must comply with all applicable child labor laws, including the minimum age for employment in all countries where it does business, or the age for completing compulsory education in such countries, whichever is higher. This Code does not prohibit participation in legitimate workplace apprenticeship programs that are consistent with Article 6 of ILO Minimum Age Convention No. 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.

### **Health and Safety**

Apple recognizes that integrating sound health and safety management practices into all aspects of business is essential to maintain high morale, produce innovative products and provide high-quality services. Channel Members must be committed to creating safe working conditions and a healthy work environment for all of their workers, and must comply with all safety regulations.

### **The Environment**

At Apple, environmental considerations are an integral part of our business practices. Channel Members must have a similar commitment to reducing the environmental impact of their operations. Channel Members must endeavor to reduce or eliminate waste of all types, including water and energy, by implementing appropriate conservation measures in its facilities and by recycling, reusing, or substituting materials.

## Ensuring Compliance with this Code

### **Process to Receive and Investigate Reports of Violations**

Channel Members must have in place a process whereby their employees, independent contractors, consultants, and others who do business for or on behalf of Channel Members can safely and confidentially report violations of this Code to the Channel Member's management, and to do so anonymously (subject to local legal restrictions on anonymous reporting). Channel Members must promptly investigate any observed or reported violations of this Code.

### **Whistleblower Protection**

Channel Members must create programs to ensure the protection of whistleblower confidentiality and to prohibit retaliation against workers who participate in such programs in good faith or refuse an order that is in violation of this Code.

### **Corrective Action Process**

Channel Members must have a process for timely correction of any deficiencies or violations of this Code identified by any internal or external audit, assessment, inspection, investigation, or review.

### **Reporting**

Channel Members must in good faith report any violations of this Code (whether such violations are your own, another Channel Member's, or an Apple employee's) to Apple Compliance within three (3) days of identifying such a violation. Please send reports to [globalcompliance@apple.com](mailto:globalcompliance@apple.com).