

POLICY FOR CHARITABLE DONATIONS

Throughout their working lives and into retirement, thousands of people around the world rely on UGL to help maintain, protect and beautify their homes, offices and communities.

As an international home improvement manufacturer, UGL does business in the Americas, Europe and Asia. UGL employs approximately 151 people and serves hundreds of thousands of customers across the globe.

UGL uses its strength and expertise to create quality products, added value for customers, owners, employees and the wider community. UGL does this by encouraging innovation and by growing its businesses profitably and sustainably.

UGL's ambition is to be a leader in all its chosen markets by 2020.

EXPLANATION

In 2016, UGL Management Board adopted a new, more integrated approach to charitable donations. This approach has a number of objectives, including:

- Bringing greater focus by concentrating the majority of the company's donations on two priority areas: employee and community.
- Creating a clearer governance structure by establish a company-wide policy and a UGL Donations Advisory Committee entitled UGL Corporate Culture Committee to oversee the approval process.
- Creating a better quality of life for the beneficiaries of the company's donations programs and ensuring long-term, sustainable support for chosen beneficiaries.
- Where possible, encouraging employee involvement in community projects.
- Supporting UGL's overall business strategy, and efforts to manage UGL as a single, cohesive team.

This Policy took effect on **July 12, 2016**, and will remain in force until further notice. UGL will review the terms of this policy again on **July 12, 2017**.

SCOPE

This Policy applies to all UGL donations and community programs.

MISSION

UGL donations programs are aimed at serving and strengthening the wider community, and creating a better quality of life for their beneficiaries.

DEFINITION

- UGL donations programs support charities and other non-profit organizations that improve the quality of life of their beneficiaries.
- Charitable donations are not made for commercial, name recognition or brand purposes, however an exchange of product can be made.
- Charitable donations may be made either in money or in kind. In 'kind' may include time, personal or company expertise, advice, signs, printing, product or other company resources.
- This Policy is reviewed at least once a year, and may be found on UGL's corporate website (www.ugl.com).

UGL's PLEDGE

- To support organizations that help create a better quality of life for their beneficiaries.
- To act according to UGL's business principles and Code of Conduct.
- To support charities and other non-profit organizations in a sustainable, long-term way.
- To act as a responsible company and to lead by example, encouraging employee and other stakeholder engagement in supporting good causes.

PRIORITY AREAS

As part of our giving approach, UGL's aim is to ensure that a majority of the company's donations are focused on two priority areas: employee interest and community need.

MANAGEMENT

- UGL's community programs are aimed at strengthening relations between UGL and the communities in which the company operates.
- UGL encourages employee involvement in local charities and good causes, and will often support employee efforts by complementing existing employee fund-raising and contributions.
- UGL also encourages employees to give time and expertise to good causes and other organizations the company supports.
- UGL believes that local charities should be supported at a local level. Consequently, wherever possible, operating units have responsibility for local causes, organizations and charities within their territories.

SELECTION CRITERIA AND RESTRICTIONS

- All recipients of UGL donations must be designated or registered as a charity or non-profit organization.
- Their selection must comply with the terms and objectives of *UGL Policy for Charitable Donations*.
- Given the objectives of this Policy, the majority of recipients will be involved in the company's two priority areas: Employee and Community.
- UGL will only support charities and other non-profit organizations that:
 - Are not involved in the abuse of human rights.
 - Do not have employment policies or practices that discriminate on grounds of race, creed, sexual orientation, religion, gender, disability or age.
 - Are not directly involved in gambling, recreational or illegal drugs, tobacco, armaments or alcohol (with the exception of those charities and organizations specifically dedicated to tackling addiction or drug abuse).
 - Do not cause harm to animals for the purposes of either sport or entertainment.
 - Do not have, as their main purpose, the dissemination of political or religious information and do not otherwise use their charitable work to encourage support for political or religious causes.
 - Do not have activities which involve significant damage to the environment.
 - Fully disclose all relevant corporate and personal conflicts of interest.
- UGL preference is for charities and other non-profit organizations that:

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- Have long-term goals and objectives
 - Operate in a sustainable manner
 - Encourage stakeholder involvement and the participation of individual communities
 - Take an innovative approach to their projects and initiative.
- UGL may also support individual employee-sponsored good causes and charities, in some cases by complementing existing employee fund-raising up to a pre-determined amount:
 - Support must have the approval of management and must conform both to this Policy and to any other local policies or practices in force.
 - Payments must be made either to a charitable organization, where possible, to individual employees, providing management is satisfied the money will not be misspent.
 - All such payments under this section must be made from units' discretionary spending, even in the case of employee, community or sales projects.
- As part of the company's overall strategy, UGL has the following targets for with regard to donations:
 - Employee
 - Community

All funds are allocated at the discretion of the UGL Corporate Culture Committee.

These target will be introduced progressively, and take effect from January 1, 2017.

- Budgets are set by the CFO and may be increased or decreased in the overall budget in any given year.
- All Appeals must be submitted to the Public Relations Director and from there will be distributed to the UGL Corporate Culture Committee for approval.



RETURN BENEFITS AND TRANSPARENCY

UGL does not seek direct commercial benefits through its charitable donations. The company recognizes, however, that certain ancillary benefits may accrue, including:

- A strengthening of UGL's brand reputation among employees, customers, board members, business partners and owners.

Every year, UGL will publish the following details of its donations program both on the company's website and in any reports regarding sustainability – reporting to the board of directors:

- Any changes or modifications made to UGL overall Donations strategy during the calendar year.
- The total amount donated, the leading recipients and breakdown of donations by geographical area.
- The number of donations requests received, approved and rejected during the year by the UGL Corporate Culture Committee.

UGL DONATIONS ADVISORY COMMITTEE

The UGL Corporate Culture Committee comprises five members:

- UGL's Public Relations Director (chairman)
- Human Resource Representative (Controller)
- The Executive Secretary
- A representative from the general office or IT or marketing
- A representative from the lab or production

Committee members will be taken upon request and interested employees will be appointed by the three standing members (Public Relations Director, Human Resource Representative and The Executive Secretary)

Where possible, recommendations to for funding are made on a consensual basis. In case of disagreement, the chairman may request a vote.

General office, IT, marketing and laboratory representatives will rotate on an annual bases starting on January 1, 2017

The committee will meet 6 times per year

In addition to overseeing the approval process, the UGL Corporate Culture Committee also provides the company's management board with an annual evaluation of UGL's charitable donations and the implementation of its donations strategy. The Committee also helps manage UGL's annual donations budget, which is the responsibility of the CFO.



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UGL's Corporate Culture Committee will also plan and organize employee corporate events with a separate budget from the annual giving.

APPROVAL AND REJECTION GUIDELINES

All individuals and organizations requesting support will receive notification either approving or rejecting their request. Wherever possible, UGL will provide an explanation for its decision. The company's aim is to answer requests within eight weeks of receiving them. Those requests submitted to the UGL Corporate Culture Committee may take longer. An organization which has a request for support rejected by UGL Corporate Culture Committee may not submit a new request for a least twelve months from the initial date of application.

PAYMENT TERMS AND CONTRACTS

UGL operates standard terms for all payments, including those made to charities and non-profit organizations.

PROCESS FOR EVALUATION, COMMUNICATION AND RENEWAL

UGL is committed to evaluating the efficiency and impact of its charitable donations. The evaluation focuses on four main areas:

- Ensuring recipients comply and continue to comply with the terms and objectives of UGL's overall *Policy for Charitable Donations*.
- Ensuring regular feedback from recipients on projects and initiatives supported by UGL and the impact on individual communities and other beneficiaries.
- Regular measurement of employee engagement and the impact of UGL's donations programs on overall levels of employee engagement.
- Ensuring efficiency by measuring, where possible, the proportion of donations above a certain threshold spent on administrative and other costs.

UGL maintains a regular dialogue with those charities and organizations it supports both to improve management of existing projects and to identify future opportunities.

UGL is also committed to communicating the details of its charitable donations program to employees, via the company's main internal communication channels (to be determined), as part of broader efforts to encourage employee participation in supporting charities and good causes.

BUDGET

UGL'S annual charitable donations budget is submitted by the CFO to the CEO for approval. That budget is conveyed to the Public Relations Director.

The budget is based on existing commitments and new spending estimates.

The budget covers the calendar year and is approved in December or January.

Overall execution of the budget is overseen by the UGL Corporate Culture Committee.

The UGL Corporate Culture Committee regularly updates the management board and is required to inform members of the management board of any significant under or overspending for the year.

REVIEWING AND UPDATING THIS POLICY

This Policy is reviewed at least once a year by UGL Management Board and, if necessary, changes are recommended to the UGL Corporate Culture Committee.

The Policy may be undated at any time to reflect changes either in UGL's internal organization or changes to the company's brand positioning or strategy.

All changes will be communicated via UGL's corporate website (www.ugl.com).

CONTACT INFORMATION

For all information concerning UGL donations and the company's policies in this area, please contact:

Michele Margotta Neary

Public Relations Director

P.O. Box 70

Scranton, PA 18501-0070

uglpr@ugl.com

REQUEST FOR FUNDING

All individuals and organizations requesting support under UGL's donations program will receive a letter either approving or rejecting their request. Wherever possible, UGL provides an explanation for its decision. The company's air is to answer requests within eight weeks of receiving them. Those requests referred to the UGL Corporate Culture Committee may take longer. Please note that an organization or individual that has had a request for support rejected by UGL may not submit a new request for a least twelve months.

Before submitting a request, please read through UGL's Policy for Charitable Donations carefully.

Please complete the following questions, attach the completed questionnaire to an email and send to uglpr@ugl.com

Name of your organization:

Address:

Contact name, telephone number and email:



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Brief overview of your proposal: _____

Any other organization or organizations involved (please give details): _____

The intended beneficiaries:

The purpose for which the support is requested:

The City and State the project is located: _____

How you intend to measure and monitor the effectiveness of our project:

Have you submitted a request for funding support to UGL before? _____ YES _____ NO

If YES, please give details _____

Have you had any business relations with UGL in the past five years? _____ YES _____ NO

If so, please give details: _____

Any significant difficulties you believe your project may encounter: _____

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Any other details you wish to add or believe may have a material effect on the outcome of your project: _____

Signature: _____

Title:

