

# Questions and Answers about the Code of Ethics

## *Table of Contents*

	Page
<b><u>Ethics and Compliance Program</u></b>	
Operation and Application	2
Reporting Violations	2
<b><u>Standards and Policies</u></b>	
Accurate Books and Records	2
Competition Rules	3
Exports, Imports and Currency Controls	3
Confidential and Proprietary Data	4
Use of Company Assets	5
Conflicts of Interest	5
Entertainment and Gifts	6
Discrimination and Harassment	7
Foreign Payments	7
Job Safety	7
<b><u>Resources for Questions and Concerns</u></b>	8

This supplement to the Tech Data Code of Ethics consists of questions and answers related to the issues contained in the Code. The questions and answers give you a general reference for making ethical business decisions but are not necessarily applicable in all situations. Circumstances and policies may change; and some issues are complex and ambiguous. Remember, if you need clarification on any issue you should seek guidance from an appropriate person, including: your supervisor, the Human Resources Department, your ethics advisor, the Director/Officer of Ethics and Compliance or the Ethics Reporting Hotline.

Periodically, these Q&A will be supplemented by pamphlets on specific topics that deal with new issues, policies or regulations affecting the company.

## *Operation and Application*

**Q. The Code of Ethics presents general principles and guidelines, but how do I get an answer for a specific situation?**

**A.** Ask an appropriate person. There are also supplemental pamphlets and policies available from the company. Your supervisor or ethics advisor can provide you with this information. They can also discuss specific situations with you and provide interpretation of how these policies apply to your question or situation. Ethics information is also available on TDNet at <http://tdnet.techdata.com/ethics/index.asp> or at the Human Resource Department. Never hesitate to ask any question regarding the Code or its application to your job or job-related situation.

**Q. Am I expected to know and understand everything contained in the Code of Ethics?**

**A.** No. But you are expected to have read the Code and know that it contains principles and guidelines when you act on behalf of Tech Data Corporation and all its subsidiaries. You are also expected to seek clarification on issues you are uncertain about. The Ethics and Compliance Program is committed to providing you with a timely response to your questions regarding the Code of Ethics. If in doubt, ask.

**Q. Does the Code of Ethics apply in all countries where Tech Data does business?**

**A.** Yes. The Code is based upon fundamental values of honesty and fair dealing, applicable worldwide. To advance long-term interest, the Code seeks to communicate business principles that include: abiding by the law; dealing fairly with customers, employees, stockholders, vendors and competitors; respecting and supporting associates and the communities where we do business; and making decisions based on merits rather than bias.

**Q. Are we imposing U.S. legal and business standards on other countries and cultures?**

**A.** Where required. The Code adapts to cultural standards of countries in which Tech Data does business, but flexibility in response to local customs does not permit violating the law. As a U.S. company, Tech Data must operate under certain laws – such as those governing securities – that restrict activities outside the United States. Tech Data is committed to compliance with the laws of every country where it operates. If you have questions, contact your ethics advisor.

**Q. Does the Code of Ethics apply to consultants, agents or other representatives of the company?**

**A.** Yes. Any party acting on behalf of the company is expected to abide by the Code. If consultants, agents, etc. plan to perform a substantial amount of work for Tech Data they should receive a copy of the Code. We may not act through non-employees in ways we are not permitted to act ourselves.

## *Reporting Violations*

**Q. What should I do if I am asked to take part in an action that I think is illegal, against the Code of Ethics, or in violation of a company policy? What if I observe such activity.**

**A.** Report it. First consider telling your supervisor. If that isn't practical, you may contact a variety of other sources: your ethics advisor, Human Resources, the Legal Department, the Compliance Officer (+49 (0)89 7427 3292) or Director Ethics and Compliance.

If you wish to confidentially raise a concern you can use the "Open Up" Forms or "Ask Bob Dutkowsky" on TDNet. Anonymous or confidential reports and inquiries may be directed through the Tech Data Ethics Reporting Hotline.

## *Accurate Books and Records*

**Q. I am in accounting and I've questioned my supervisor's treatment of a certain transaction. I don't think he has given me an adequate explanation. What should I do?**

**A.** Let him know you remain unclear despite his explanation, and ask if there are other resources you can research. Recognize that accounting decisions are often judgments about the materiality of many factors. If you continue to be concerned, discuss the issues with other knowledgeable parties including your supervisor's manager, your ethics advisor, the Internal Audit department or the Ethics Reporting Hotline.

**Q. My department reports sales volumes to our vendors. In order to improve their own incentive award, a manager reported inaccurate volumes. What should I do?**

**A.** You must report it. Failure to make accurate reports could violate the company's policy on maintaining accurate books and records, and subject the company to penalties and loss of distribution rights. If you cannot report the matter to your supervisor/manager, tell either his/her manager, the Managing Director, Internal Audit, the Legal Department, an ethics advisor or the Ethics Reporting Hotline.

**Q. Will I be reimbursed for business expenses if I lose a required receipt?**

**A.** All business-related expenses should be properly documented. You should make every effort to keep receipts. If you mistakenly did not obtain a receipt or lost it, try to get a replacement. Failing that, you must report the receipt as lost and obtain approval from your supervisor before seeking reimbursement.

**Q. I recently negotiated a very favorable transaction with one of our customers. Although I am not sure I had the authority to commit the company to this contract, I signed a purchase order before the customer could change his mind. Did I do the right thing?**

**A.** Possibly not. The laws governing contracts are complicated and there are specific policies and procedures to ensure that contracts are reviewed and properly authorized. You are responsible for knowing your level of signature authority, what contracts you are authorized to enter into, and that the proper parties have reviewed the contract before it is signed.

### *Competition Rules*

**Q. What kind of activity is considered anti-competitive or against the anti-trust policy?**

**A.** The following is considered anti-competitive or a violation of anti-trust laws:

- Discussions or agreements with a competitor regarding pricing, territories, volumes, or intention to bid or not bid on certain business.
- Agreements with competitors to limit or restrict product availability.
- Agreeing to place export bans on products sold within the European Union.
- Engaging in group boycotts with competitors of certain companies.
- Mandates by suppliers as to the resale prices that are applicable to all sales and are not part of a special promotion or approved pricing program.

If such situations arise, seek advice from the local/European Legal Department or the Ethics and Compliance Officer/Director of or consult the Tech Data "Antitrust Compliance Guide".

**Q. At a recent trade show, one of our competitors mentioned that they were considering raising their prices. Is it okay to discuss pricing plans with them?**

**A.** No. Never discuss pricing plans, even indirectly, with someone outside the company. If a competitor begins to discuss pricing plans or any other market sensitive information, immediately break off the discussion even if that means walking out of a meeting. Report such occurrences immediately to the local, European or US Legal Department.

### *Exports, Imports and Currency Controls*

**Q. I have identified a promising new customer from a foreign country. The customer has communicated an intention to make a significant purchase but a non-banking third party would pay for the product. Should I be concerned?**

**A.** Yes. The third party may be attempting to circumvent money-laundering prohibitions or currency-exchange regulations. It's critical to know your customer, the source of payment and the relationship between the non-banking third party and the potential customer. Contact your Finance or Import/Export Department or the local/European Legal Department.

**Q. A potential customer prefers making payments by cashier's checks and traveler's checks. Is this okay?**

**A.** Only if necessary. Payments by cashiers checks, traveler's checks and other cash equivalents are to be discouraged because of the administrative burden associated with monitoring and reporting. If such payment methods are unavoidable, detailed procedures must be followed. Refer to the Export and Regulatory Compliance Home Page on TDNet, or contact the Finance or Import/Export Department or the Legal Department.

**Q. What does it mean to be the "importer of record"?**

**A.** The importer of record is the party designated on the import declarations with the responsibility to insure that imports comply with all government regulations. This includes the timely presentation of documents, labeling and product compliance, and the payment of all taxes, duties and fees.

### *Confidential and Proprietary Data*

**Q. What assets are considered confidential or proprietary information?**

**A.** Confidential or proprietary information is knowledge not generally known by the public. Such information could include:

- Marketing, service strategies and business plans
- Vendor and customer negotiations
- Costs, prices and capital requirements
- Sales and earnings not publicly disclosed
- Personal employee information

This information should not be disclosed to anyone, including other employees, who do not have a business "need to know". More details are in the company's Information Sensitivity Policy and Data Classification Guidelines. You may also contact your supervisor or the Legal Department.

**Q. How can I tell if information is proprietary or confidential if it isn't marked?**

**A.** Unmarked material must be judged by its circumstances. Assumed to be proprietary or confidential are information used to conduct Tech Data's business that generally is not known by the public, and information that has value due to its sensitivity or its competitive advantage. When the intended distribution indicated is limited, it should be considered proprietary and confidential; an external distribution to the general public may be presumed non-proprietary.

If you have questions about the possible proprietary nature of any unmarked information, consult the Information Sensitivity Policy and Data Classification Guidelines or contact your supervisor or the local/European Legal Department.

**Q. A customer has asked me what are the company's costs for certain products. In the spirit of being open and honest should I tell?**

**A.** Ask your supervisor. There is generally no obligation to disclose costs to customers and doing so may harm the company's competitive position, in which case you should politely decline from providing the information.

**Q. An independent consultant promises to obtain - through confidential sources within a competitor's organization - valuable marketing information. Should I consider hiring them?**

**A.** No. Refuse to deal with them and report the incident to the local/European Legal Department. In business it is common to obtain information about competitors, but it must be done properly. Employees may learn about competitors' business activities through publicly available sources as trade journals, public interviews of their executives or public filings. It is not proper to seek or receive confidential information about a competitor through misrepresentation, deceit or false pretense.

Nor should you consider hiring a former employee of a competitor because they have confidential competitive information. Just as Tech Data expects its own former employees to maintain the confidentiality of any company information after they leave the company, it will not accept confidential information from former employees of competitors.

### *Use of Company Assets*

**Q. During my lunch break am I permitted to make personal phone calls or e-mail on Company equipment?**

**A.** Yes. Subject to limitations placed by the supervisor, associates are permitted to make occasional personal use of company communication equipment for telephoning, faxing or e-mailing. Such activity should not incur significant costs, should not occur during work time or interrupt other business activity; and should occur infrequently and be of a short duration.

Reputable commercial Web sites may also be accessed for personal business such as checking bank balances and weather reports, provided the same limitations for phone and e-mail use are followed. Associates may never use company equipment to access inappropriate phone contacts or Internet sites such as those promoting racism, gambling, pornography or video games.

**Q. My position grants access to nonpublic financial information about the company. I talk to my spouse about work and this information occasionally comes up in conversation. I tell my spouse not to discuss it with anyone. Is this a problem?**

**A.** Potentially yes, and could be costly to you and the company. If your spouse trades on material nonpublic information - or passes the information on to someone else who trades upon it - both of you could be sued and prosecuted for illegal insider trading.

### *Conflicts of Interest*

**Q. The Code talks about avoiding conflicts of interest between the Company and myself. What does that mean relative to my job?**

**A.** A conflict of interest occurs when an employee or a member of his or her immediate family receives a personal benefit (other than wages, salary or benefits) as a result of the employee's position with the company. The Conflicts of Interest Policy is intended to clearly establish and identify areas where private concerns must not interfere with the proper discharge of the employee's duties at Tech Data.

**Q. Is stock ownership in a customer, supplier, or competitor against the Conflicts of Interest Policy?**

**A.** Not if it is a relatively small interest in a publicly traded company. Many large publicly held companies are suppliers, customers or competitors of Tech Data. Stock ownership in these public companies is not necessarily prohibited provided your ownership interest is not material to you or the company in which you invest. A rough rule of thumb is that any interest in securities of a publicly traded competitor should not exceed 0.5% of the company's outstanding market capitalization, or five percent of your and your family's total security holdings. The appearance of impropriety is also to be avoided. For example, if you are in charge of awarding contracts to a particular supplier, even a token investment in that company is inappropriate.

**Q. My spouse and I own a small graphic arts and printing business on the side. The work I do for that business is totally unrelated to my Tech Data job. Can our graphics business bid on jobs for Tech Data when I am a regular employee?**

**A.** To provide services as a principal in a vendor would constitute a conflict of interest. This would require disclosure of the relationship, with you possibly disassociating yourself from the business. If you are not involved in the business or the bid process, your spouse might bid on the business, provided your association does not influence the selection or retention process, and you don't participate in the performance of the work. In this situation, disclosure about the conflicts should be made to your supervisor.

**Q. A Tech Data vendor asked me to work for them after hours to develop a product that could be distributed by Tech Data. I deal with this vendor periodically during work. Could this be a conflict?**

**A.** Yes. The situation described could result in a conflict of interest. Whether or not one develops, there could still be the appearance of impropriety which should be avoided. In the future someone may wonder if you favor the company because of your special relationship. You may wish to seek advice from your Ethics Advisor or the local/European Legal Department.

In general, there is no unequivocal prohibition against outside employment. However, our primary work obligation is to Tech Data. Any form of outside employment, including self-employment, must not interfere with Tech Data job and it must receive management approval. You may not use company time, equipment, supplies or computers to perform an outside work activity.

**Q. Is it a conflict for my spouse and I to work in the same department?**

**A.** It depends upon local policies and laws. Generally in the U.S., the employment of a relative or person with whom you have a personal relationship, is permitted provided the individuals don't report to each other or to the same supervisor/manager. "Relative" is defined as spouse, parent, child, siblings, in-laws, and step-parents, -siblings and -children. Also covered are situations where the parties are so emotionally, physically or romantically close that the relationship creates concerns similar to those raised by family ties. If employees become related or a personal connection develops after employment, the individuals involved should disclose the relationship and decide who is to be transferred to comply with the policy. If that decision is not made within 30 days, management will decide in accordance with local employment law.

**Q. What should I do if I believe an actual or potential conflict of interests exists?**

**A.** Disclose it. Whether a conflict exists in a particular situation depends upon the particular facts. All employees below the vice-president level (and equivalent positions worldwide) must submit a report detailing the facts and relationships giving rise to the conflict to their supervisor, who shall in turn submit the report to their vice president. The vice president (or international equivalent position) shall determine if there is a conflict and if so, whether to permit the conflict to continue. The vice president (and equivalent positions worldwide) shall submit a complete and timely report of this decision to the Senior Vice President of Human Resources and the Senior Vice President and General Counsel. They shall review and approve or disapprove the recommendation and take any other actions deemed necessary.

In the event of actual or potential conflicts involving a vice president or higher level (and equivalent positions worldwide) of a financial or accounting executive, the affected person shall submit a detailed report to the Director of Internal Audit and Senior Vice President and General Counsel. They shall submit a report and recommendation to the Audit Committee of the Board of Directors at or before their next scheduled meeting. The Audit Committee shall determine the existence, handling and disclosure of any such conflict. In the event of a non-financial or accounting executive, the report will be submitted to the Governance and Nominating Committee of the Board. Disclosure may also be required to the shareholders of the company.

### *Entertainment and Gifts*

**Q. A vendor wants to take me and several other members of my department to dinner and a hockey game. Is this appropriate?**

**A.** Yes, under certain circumstances, this would be permissible, but there are limitations. Meals and entertaining must have a reasonable business purpose, such as business discussions and relationship building, and must directly relate to the conduct of the company's business. This includes entertaining or being entertained by existing or potential vendors, customers, employee candidates and their spouses where your responsibilities call for you to maintain or originate a business relationship. The nature, location and expense of the entertainment and meal should be appropriate to the business situation. Elaborate and lavish entertainment, events or meals should not be accepted, nor will such be reimbursed if bestowed. Customers, vendors or prospective employees must be present for the entertainment to be considered a proper business expense.

**Q. During the holiday season many of us in the department receive boxes of fruit, candy, cookies, etc. from businesses and professional firms. Can we keep these gifts?**

**A.** Generally yes. Gifts of perishables that have a nominal value may be treated as gifts to the department. Non-food gift items from business and professional firms that have a value of greater than \$300 (or appropriate applicable local limits if lower) are not to be accepted by any Tech Data employee.

If vendors/suppliers wish to donate product to Tech Data, then the receiving department must follow company policy or local departmental policy – whichever is most restrictive. Donated product is not the property of any individual but may be distributed for promotional and incentive purposes to members of the department.

The giving of business gifts is discouraged but may be deemed appropriate. Any gift of \$300 (or appropriate applicable local limits if lower) or more requires the approval of a manager.

## *Discrimination and Harassment*

**Q. What should I do if I feel I am being discriminated against?**

**A.** Report it. If you believe that you or any other employee has been discriminated against you should immediately report it to your manager/supervisor, your Human Resources Department representative, or your ethics advisor.

**Q. There is an employee that sits close to my desk who has sexually suggestive pictures on a screen saver and it makes me uncomfortable. What can I do about it?**

**A.** Pictures such as these are inappropriate at Tech Data. In the event you encounter any such sexually suggestive behavior or words on a regular basis, you should confront the person and tell them it is not appreciated. If you are uncomfortable or unsuccessful in stopping such behavior then you should bring it to the attention of your supervisor, manager, Human Resources Department representative or ethics advisor.

**Q. Can Tech Data policy provide equal employment opportunity in parts of the world where religious belief or custom result in discrimination because of race, color, gender or religion?**

**A.** Tech Data policy is to apply principles of equal employment in hiring and promotion practices worldwide, unless the law strictly forbids such practices. If local custom or religious beliefs are more restrictive than the law requires, they may be taken into consideration only with corporate level approval.

## *Foreign Payments*

**Q. I have heard that in some countries where Tech Data does business that government officials there might expect payment to “make things happen.” Are these payments permitted under the Code of Ethics?**

**A.** No. The Foreign Corrupt Practices Act (FCPA) and laws of many other countries make it illegal to bribe government officials to obtain or retain business. It is also illegal to use an agent to make such payments on behalf of the company. There is a very limited exception under the FCPA for the payment of small amounts of money called “facilitating payments,” but they may be against local law even if not illegal under the FCPA. Always seek advice from the Finance or Legal Department before making any payments.

## *Job Safety*

**Q. Can I be required to submit to a drug or alcohol test while on the job?**

**A.** Yes. Under certain circumstances - and in accordance with applicable local laws - you may be required to submit to testing while you are on company premises when there is cause to believe the presence of drugs or alcohol is in your system, based on your behavior, or if your job performance is impaired. Certain designated hazardous positions may be subject to random testing without cause. All testing must be conducted in accordance with applicable legal requirements.

**Q. A co-worker was injured on the job. I happened to witness the accident and am aware that the co-worker was drinking during lunch just prior to the accident. Should I say anything about what I know or is this being disloyal?**

**A.** Yes, you must report it. Otherwise, all the facts won't be disclosed. The employee may have a drinking problem and need assistance.

Employees are not only encouraged, but have a responsibility, to bring violations or suspected violations of the Code of Ethics to the appropriate party. You may have questions related to the Code, its Standards or the operation of the program. The Company has a variety of ways to report violations, suspected violations, or answer questions about the Code, related policies, and laws: including,

- Your supervisor/manager
- Human Resources
- Internal Audit
- The Legal Department
- Your ethics advisor
- The Ethics and Compliance Officer or Director
- “Ask Bob Dutkowsky” on TDNet
- “Open Up” forms
- The “Ethics Reporting Hotline.”



**Ethics Reporting Hotline**

**Ethics and Compliance Coordinator Europe**

**Ethics and Compliance Director US A**

\*<http://tdnet.techdata.com/ethics/documents/accessNumbers.pdf>

**\* - 1 866 833 8442**

**+49 (0)89 7427 3292**

**+1-727-538-5854**