

## RPM INTERNATIONAL INC. AND ITS SUBSIDIARIES' THIRD PARTY DUE DILIGENCE POLICY

The Values & Expectations of 168 require that RPM International Inc. (RPM) and its subsidiary companies (collectively, the "Company") "transact business with reputable and trusted individuals and entities," and require the Company to "take steps to learn about those with whom . . . it transact(s) business to ensure that all actions taken by third parties for the benefit of . . . [the Company] are in keeping with the Value of 168<sup>®</sup> and its inherent core principles."

### I. Definitions:

A. "Third Party/Parties" means a party or parties with whom RPM, any operating group, company or subsidiary does business or seeks to do business, whether as a supplier, customer, consultant, distributor, service provider, contractor, installer, agent or otherwise, but for purposes hereof shall specifically exclude federal, state, provincial and local governments. Types of Third Parties may include, but are not limited to, the following individuals or entities:

1. Customer End Users: Recipient or purchaser of products of the Company that ultimately uses the product and does not resell the product.
2. Customer Distributors/Installers: Purchaser of a product of the Company that intends on reselling the product or using or installing the product for its customer.
3. Service Providers: Provide functional services or support to the Company (e.g., communications, logistics, storage, processing service, IT services, financial services).
4. Suppliers/Vendors: Supply parts, components and raw materials used by the Company.
5. Advisor/Intermediaries: Provide technical or subject-matter expert advice on behalf of the Company by representing the Company to another person, business entity, or government official (e.g., tax and financial advisors and consultants, legal advisors, lobbyists, freight forwarders, permit consultants).
6. Contractors/Subcontractors: Provide goods or services to the Company under contractual terms, but otherwise are not under the control of the Company (e.g. installers, repairers).

7. Agents: Authorized to act for, or on behalf of, the Company in furtherance of the Company's business interests (e.g., sales agents, customs brokers, permits agents).

8. Joint Venture Partner: Those with whom the Company has entered into a business agreement to establish a new business entity and/or manage assets.

B. "Third Party Due Diligence" means the employment of reasonable steps necessary to determine whether Third Parties transacting business with the Company possess the qualities and standards required under the Values & Expectations of 168.

1. Third Party Due Diligence differs from the "Trade Searches" identified in RPM's Trade and U.S. Anti-Boycott Compliance Policy. Unlike the limited prohibited parties lists reviewed exclusively for Trade Searches to ensure compliance with limited import/export laws at a transactional level, Third Party Due Diligence is broader in scope and is intended to identify broader and potentially unreasonable risks that may exist with Third Parties. These risks may involve corruption, anti-competition, fraud, money laundering, trade compliance, or other criminal/regulatory violations even in the absence of the Third Party being identified by the U.S.'s or any other countries' lists of prohibited parties.

II. In order to meet our required obligations as set forth in the Values & Expectations of 168, each subsidiary must adopt in writing Third Party Due Diligence procedures that meet the following requirements:

A. Identify all Third Parties transacting with the subsidiary

1. If applicable, distinguishes between Third Parties requiring further due diligence steps ("In-Scope Third Parties") and those for which the information gathering and further steps of the due diligence process are not necessary ("Non-Scope Third Parties").

2. If Non-Scope Third Parties are identified, requires written explanation of risk assessments supporting such determinations.

B. Use an RPM-approved information gathering service to conduct initial inquiries of all Third Parties (or In-Scope Third Parties if subsidiary determines that differentiating between In-Scope and Non-Scope Third Parties is appropriate).

1. Approved Services as of the writing of this policy

a. World Check

b. Navigant

C. Establish a procedure to conduct Third Party Due Diligence prior to the commencement of the relationship with respect to newly proposed Third Parties.

D. Require periodic Third Party Due Diligence of all existing Third Parties at least every three years. It is recommended that more frequent reviews occur for Third Parties that may pose higher compliance risks.

E. Identify protocols to determine whether possible matches for derogatory information relating to a Third Party are actual matches as opposed to false positives, and provide that for “actual” matches, no transactions shall occur with a Third Party until such time as approval is obtained from an appropriate authorizing official within the subsidiary company or its applicable group.

F. Are designed to ensure that approvals for transactions with a Third Party are only being given for transactions and relationships with the Third Parties that are in keeping with the Values & Expectations of 168.

G. Adhere to the principle that if any information identified during the due diligence procedures causes a reviewer of the information or the subsidiary company’s leadership to believe or have concerns that that the Third Party represents an **elevated corruption, anti-competition, fraud, money laundering, or trade compliance risk** to the Company, no relationship may be commenced without **written** approval from the applicable group’s or RPM’s legal department.

H. Mandates documentation of Third Party Due Diligence conducted for all Third Parties and require that such documentation be maintained for a period of at least seven years from the date of completion of each independent due diligence review.

### III. Audit

Beginning January 1, 2016, RPM’s Internal Audit Department will audit compliance with this policy and will audit the performance and adherence to each subsidiary’s written Third Party Due Diligence procedures as part of other normally scheduled internal audits of subsidiary companies.