

The Cooper Companies, Inc. ("the Company")
Policy on Vendor Contact Information and Payment Instructions ("Policy")
July 26, 2018

Background & Rationale:

Fraud actors are becoming savvier about impersonating people by email and *by phone* in order to attempt to defraud them or the Company (Company includes affiliates and subsidiaries of The Cooper Companies). With the increase in the number of fraud attempts and phishing emails, this new Policy covers the process to update or add vendor contact information and payment instructions in all internal or external payment system or databases.

Vendor contact information includes name, address, email and phone numbers of all relevant counterparties, including but not limited to vendors, customers, employees, contracts, Board members, and Cooper affiliates or subsidiaries (each a "vendor" for the purposes of this Policy).

Payment instructions include all electronic and manual payment instructions to all vendors. Electronic payments include wires, ACH, Giro, BACHs, SEPA and any other electronic means of payment processing.

This Policy applies to anyone within the Company that is involved with payment processing, or has access to update vendor contacts and payment instructions in any internal or external payment system or database.

Policy:

Before entering new or updating existing vendor contact information or payment instructions in any database or system (banking platform, ERP, vendor database, settlement platform, etc.), the new or amended contact or payment instructions must be validated with a telephone call initiated by the relevant Cooper employee (in Accounts Payable, Purchasing, Commercial, Operations, or Treasury) to a historically *known* contact, (i.e., the primary contact known to this Cooper employee). This Cooper employee must utilize *an existing known telephone number on file*, not a new number that may have changed in connection with changed bank instructions.

Any requirement for an urgent wire request from an internal Cooper employee or an external party must result in a phone call by the Cooper recipient of this request to the *known* Cooper employee making this request or a *known* person at the company making the request.

Similarly, a change in payment instructions or an urgent payment requested by a Cooper employee for the benefit of one of *their known* vendors also requires that a callback be made to the *known* person at the *known* vendor either by the Cooper employee who manages the relationship or by the individual who will be making the payment or payment instruction changes.

We can never accept a phone call verification initiated by the vendor claiming to be the appropriate contact person. *It is not acceptable* for a Cooper employee to confirm details with an unfamiliar or a new contact name/number.

In all cases, the phone confirmation must be documented with the payment instruction and saved/filed for reference. The documentation should include the name of the Cooper employee initiating the call, the vendor's contact name and phone number, date and time of the call.

For any payment above, Corporate Treasury and/or Internal Audit may request the payment instruction and accompanying documentation supporting the phone confirmation.

If a Cooper employee receives any request to update vendor contact information and/or payment instructions that is suspicious or is believed to be fraudulent, it is a requirement to immediately notify the employee's manager and the relevant Security IT Administrator(s). If the employee realizes that funds were actually sent to an invalid recipient as a result of fraudulent activity, it is a requirement that the employee escalates this to the manager immediately.

This Policy is effective immediately. **Failure to adhere to the above protocols may result in disciplinary action up to and including termination.**

Beth King

From: Aza Jow <ajow@cooperco.com>
Sent: Tuesday, March 12, 2019 2:59 PM
To: Aza Jow
Subject: Vendor Payment Instruction Policy- CLARIFICATIONS
Attachments: TCC Vendor Contact Info & Pmt Instruction Policy_Final_07-24-18.pdf

This email is to clarify the attached Vendor Payment Instruction Policy, and to answer questions that have come up in regards to implementation of the policy.

The policy:

- Applies to electronic payment instructions for all electronic payments, whether the payment is to a vendor, supplier, customer (for overpayments, refunds, or rebates), or employee (for payroll or reimbursements) AND the electronic payment instructions are NEW or requested to be CHANGED.
- Requires a phone call, initiated by a Cooper representative, to a historically known contact at the beneficiary, to confirm the payment instructions. Details of this phone call must be documented and available for future reference.
- A requirement for an urgent wire request that falls out of the usual AP process requires a phone call, initiated by the recipient of the request, to the originator of the request, to ensure validity of the request.

A phone call is NOT required in the following examples:

If a vendor has ONLY requested a change in contact details (address, phone number, email address) and has not requested an update of electronic payment instructions.

If the vendor is paid by check.

If Cooper has previously and successfully used the same electronic payment instructions for the beneficiary prior to implementation of the policy in July 2018.

FAQ:

1. Accounts Payable doesn't have a known contact number at the vendor to perform the call-back procedure. Can I use Google to find the phone number to call?
*No. The Internet (any search engine, LinkedIn, Facebook, etc) should not be used to find the contact number to confirm electronic payment instructions. Fraudsters can easily set up websites or social profiles that look legitimate. The call-back should be completed to a **historically known telephone number** at the beneficiary. The responsibility for performing the call-back doesn't need to fall on the AP team. AP should go to the requestor of the payment and ask them to perform the call-back to their **historically known contact** to confirm the electronic payment instructions.*
2. Electronic payment instructions are included in a customer contract. Does someone still need to perform a call-back?
If this is a new vendor or changed payment instructions that have not previously been used before, yes.

If you have any questions, please let me know.

Aza Jow, Director of Treasury
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