

## STERLING INDUSTRIAL, LLC

### Corporate Code of Conduct

#### I. PURPOSE

The successful business operation and reputation of Sterling Industrial, LLC (the “Company”) are built upon the principles of fair dealing and ethical conduct of our employees. We are honest and ethical in all our business dealings. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. Thus, employees owe a duty to the Company, its customers, and the public to act in a way that will merit trust and confidence. Our goal in this regard is to promote an organizational culture that encourages ethical conduct and commitment to compliance with the law.

To protect and enhance our reputation, the Company requires its employees to fully comply with all applicable laws and regulations and to refrain from any appearance of having engaged in any illegal, dishonest or unethical conduct. The Company further requires that all employees be guided by the highest standard of conduct in their business contacts and relationships.

In general, common sense and good judgment will guide you with respect to lines of acceptable conduct. However, if a situation arises in which it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor, the Company’s assigned legal representative from our parent, or its General Counsel (the “Legal Department”) for advice and consultation.

Compliance with the expected level of business ethics and conduct is the responsibility of every Sterling employee. Disregarding or failing to comply with this standard could lead to disciplinary action, up to and including possible termination of employment.

The Company strives to create awareness of and commitment to high ethical standards. All employees are expected to act in an ethical manner at all times, and are encouraged to raise concerns about any questionable practices they encounter. We must all exercise due diligence to prevent and detect improper conduct. The Company prohibits any retaliation against any employee who reports misconduct the employee reasonably believes violates any applicable law. The Company’s management encourages and responds to employee complaints regarding such matters. Employees may submit a complaint by calling the Company’s toll-free report hotline at **(866) 895-1491** or by submitting a report via the web to Ethical Advocate, the Company’s third-party reporting center, at: <https://Traylor.ethicaladvocate.com>. Employees may utilize the hotline and

report website anonymously if desired. All such reports will be promptly investigated. The Legal Department will record concerns received and the follow-up actions taken to investigate and respond to each concern and will report at least annually to the Board of Directors regarding such matters.

Our employees enhance our reputation every day by doing the “right thing.” This Code simply puts in writing what the “right thing to do” is. Everyone knows that lying, cheating and stealing are wrong, but the “right thing to do” is not always clear. This Code is intended to serve as a reference for those situations where an employee is uncertain what the “right thing to do” is.

The guidelines below should be applied both in letter and in spirit by all employees. The following principles will assist an employee in living up to the obligations of the Code to always act in the best interest of the Company:

1. Where there is doubt, discuss the matter with a supervisor;
2. Err on the side of disclosure in any conflict of interest situation;
3. Take responsibility for your actions;
4. Let your conduct make you a leader by example; and
5. Always picture yourself trying to explain your actions to a loved one.

## **II. GENERAL POLICY**

It is the Company’s policy that employees will conduct themselves in a truthful, honest and ethical manner with the highest standard of integrity and fair dealing. The Company is serious about employees adhering to the Code. The following standards emphasize the Code’s focus on compliance and appropriate conduct:

- Compliance with Company policies and procedures.
- Compliance with applicable local, state, and federal laws.
- Compliance with applicable codes, regulations and technical standards governing the operation of our business.
- Avoidance of conflicts of interest or the appearance of conflicts of interest.
- Maintenance of accurate accounts, books, and records.

## **III. APPLICATION**

The following is intended to provide general guidance to employees on issues related to their conduct. It is not an all-inclusive list. Questions regarding whether conduct would be inconsistent with the Code should be addressed to your supervisor, the manager of your division, the Legal Department, or an officer of Sterling Industrial, LLC.

Also, in an effort to promote understanding of the Code and compliance with it, all key employees (including officers, managers and supervisors) and directors shall complete the Annual Code of Conduct Questionnaire (**Exhibit A**) and the Code of Ethics Statement (**Exhibit B**) annually. Key employees for this purpose will include all employees with authority to bind the Company with vendors, subcontractors or purchasing. All other employees shall complete the Code of Ethics Statement (**Exhibit B**) at least upon hire.

#### **A. Conflicts of Interest**

Your responsibility is to perform your job in the best interests of the Company at all times. A conflict of interest, or the appearance of a conflict of interest, must be avoided at all times.

A conflict of interest occurs when you have been influenced, or it appears you have been influenced, by other factors which result in you ignoring the best interests of the Company, and instead appear to be acting to benefit another. Specific actions which create a conflict of interest include not only taking action to benefit a close friend or family member or acting in your own financial interests, but also taking action to benefit a third party, with whom the Company does business, at the expense of the Company.

Although it is not possible to identify every circumstance, some of the more common circumstances that experience demonstrates have resulted in a conflict of interest are set out below.

#### **1. Outside Financial Interests and Outside Employment**

Generally, employees should avoid investing in vendors, suppliers, or contractors with whom the Company does business. If an employee does own 10% or more of a company with which the Company does business or has loaned \$50,000 or more to such a company (“Financial Interest”), the employee must inform the manager of his or her division in writing. An employee also has a reporting obligation in two other circumstances:

- A. If any member of the employee’s immediate family (spouse, sibling, child, parent, or parent-in-law) has a Financial Interest in a company doing business with the Company; or
- B. Any member of the employee’s immediate family holds a management position in a company doing business with the Company, even if the immediate family member does not hold a Financial Interest as set out above.

An employee should also remember the spirit of the Code where a close friend is involved in a transaction with the Company.

Although your primary obligation is to the Company, you have the general right to be employed outside the Company. However, any outside employment or business activities must not impair your ability to devote your best efforts to properly performing your job with the Company, nor should such employment or business activity create or appear to create a conflict of interest.

Any employee receiving compensation from another business or entity must report this activity to his or her supervisor. This includes home-based business activities. However, it does not include owning stock in a publicly traded company, unless the ownership interest exceeds 10% of the publicly traded company or 50% of the employee's assets.

A non-employee Director also should disclose any Financial Interest to the Board of Directors. A form will be provided for that purpose.

Employees serving as members of a board of any other for profit enterprise, whether or not compensated, should report this to the Board of Directors and disclose this in the Annual Code of Conduct Questionnaire (**Exhibit A**).

An employee or non-employee Director is prohibited from working for or holding a Financial Interest in a competitor under any circumstance.

## **2. Gifts, Meals, Services and Entertainment**

### **a. Accepting Gifts, Etc.**

Employees receiving one or more gifts, entertainment, services, or anything else of value from a single Company vendor, supplier, contractor, or customer, with a value in excess of \$250 total in one year must report such items in writing to the employee's immediate supervisor immediately. (**Exhibit C**) Such a gift to an immediate family member is considered to have been given to the employee. Promotional and advertising items of nominal value and minimal quantity are not subject to this reporting requirement.

Acceptance of such gifts, etc. in excess of \$250 does not necessarily mean the employee has a conflict of interest. An employee should, however, exercise good judgment and ask him or herself what purpose a vendor has in giving an expensive gift. An employee should also consider whether others may question his or her judgment in accepting a gift. When in doubt, an employee should politely decline the gift. The employee's supervisor will discuss the situation with the employee if the supervisor has any questions. An employee should not accept "gifts of cash"/bribes under any circumstances.

**b. Giving Gifts, Etc.**

Many companies have strict policies concerning the value of gifts, meals services or entertainment that their employees are allowed to accept. You should be familiar with an individual company's policy before offering a gift, etc. to another company's employee or their immediate family. This will avoid a possible embarrassing situation. You must fill out a form when you give gifts valued over \$250.00 in a one-year period. (**Exhibit D**)

"Gifts of cash"/bribes of any amount should never be offered under any circumstances.

**3. Confidential Information**

In the course of fulfilling their responsibilities to the Company, employees may have access to information that is of a confidential, privileged, competitive and/or proprietary nature ("Confidential Information"). It is essential that employees protect the confidentiality of such information. The use or disclosure of Confidential Information may be for Company purposes only and not for personal benefit or the benefit of others.

**4. Use of Company Name or Resources for Personal Benefit**

Improper use of the Company name for your own benefit may negatively impact the Company's relationship with a third party. It is the Company's policy that employees not use the name of the Company, its purchasing power or its assets or resources for their personal benefit without proper approval. This prohibition includes conduct some may consider "minor" such as using the Company postage meter to send personal mail without reimbursing the Company. Disposal of Company assets should be made strictly in accordance with established written policies. Employees are expected to exercise reasonable judgment regarding the appropriateness of incidental personal use of Company assets, such as Company vehicles, equipment or tools.

**B. Accuracy of Books and Records**

The Company maintains a system of internal controls, which it believes provides reasonable assurance that Company assets are safeguarded and that transactions are properly executed and recorded in accordance with management's criteria.

It is the Company's policy that all transactions will be recorded in an accurate and timely manner and in accordance with established procedures. Misstating, concealing or otherwise misrepresenting any transaction is strictly prohibited.

### **C. Political Contributions**

No political contributions may be made in the Company's name or with Company funds without the approval of the Board of Directors. Campaign contribution laws vary from state to state, so you are encouraged to be familiar with those laws as well as federal campaign contribution laws should you decide to make any personal contributions.

### **D. Suspected Dishonest, Fraudulent or Illegal Activities (“Suspect Activity”)**

Dishonest, fraudulent, and illegal activities will not be tolerated and will be dealt with severely. Any such activity may also be referred to the appropriate law enforcement authorities.

All officers and employees must be alert for dishonest, fraudulent, and illegal activities. Such activities or irregularities may include, but are not limited to:

- Alteration or intentional misstatement of Company reports and records (including time and expense reports and bidding documentation);
- Forgery or other unauthorized or improper alteration of checks or notes;
- Any misappropriation of funds, securities, supplies, or any other asset;
- Any irregularity in the handling or reporting of money transactions;
- Unauthorized disposal of Company assets; or
- Any illegal act.

To discharge this responsibility, each manager or supervisor should be familiar in detail with potential suspect activities which would be more likely to occur in his or her area of responsibility.

## **REPORTING SUSPECT ACTIVITY**

An employee should never assume “the Company must already know” and fail to report suspicious activity. An employee should also remember his or her loyalty must be to the Company. It may be uncomfortable to report suspicious activity in which a longtime fellow employee/friend is engaging but it is an employee's responsibility to do so. There are two ways in which an employee may report Suspect Activity.

**a. Reporting Within the Company**

In the event employees are made aware of any of the above activities or other dishonest, fraudulent, or illegal activities, they should immediately notify the manager of their division, the Legal Department or the President of the Company. All such communications will be held in strict confidence.

**b. Anonymous Reporting of Suspect Activity**

If an employee is concerned about protecting his or her identity while bringing a suspected dishonest, fraudulent or illegal activity to light for investigation, he or she may communicate his or her concern anonymously using the Company's report hotline at **(866) 895-1491** or by submitting a report via the internet to Ethical Advocate, the Company's third-party reporting center, at the following web address: <https://Traylor.ethicaladvocate.com>. The employee should provide as much detail and specifics as possible regarding the alleged activities.

No employee will be retaliated against for reporting Suspect Activity and will be afforded all other protection required under the law.

**GUIDELINES DURING AN INVESTIGATION**

- Officers or employees, other than those specifically authorized to do so, must not contact the suspected individual to determine the facts or discuss any other aspect of the matter;
- Officers or employees, other than those specifically authorized to do so, must not discuss the case, facts, suspicions, or allegations with anyone inside or outside the Company unless in response to questions from law enforcement authorities or the Company's designated representatives.
- Officers or employees must direct all inquiries from individuals suspected of wrongdoing, or their representatives, to the President or the Legal Department. Proper response to such an inquiry should be, "I'm not at liberty to discuss this matter." Under no circumstances should there be any reference to "what you did," "the crime," "the fraud," "the forgery" etc.

**ENFORCEMENT OF THE CODE**

The President or the Board shall determine appropriate actions to be taken in the event of violation of this Code. Such actions should be designed to deter wrongdoing and to promote accountability for adherence to the Code. In determining what action is appropriate in a particular case, the President or the Board shall take into account all relevant information, including the nature and severity of the violation. Examples of such enforcement actions include, but are not limited to: ethics training, restitution, loss of compensation, demotion, and discipline up to and including termination.