



# Code of Business Conduct

**Table of Contents**

Message from Mark M. Andreae .....2

Introduction.....3

Who Must Follow The Code .....3

The Code And The Law.....3

Seeking Advice Or Reporting Concerns and Violations.....3

No Retaliation .....4

Investigations.....4

Disciplinary Action .....4

Child Labor .....4

Forced Labor .....4

Fraud .....5

Harassment, Discrimination And Workplace Violence .....5

Alcohol And Drug Abuse .....6

Employee Personal Relationships .....6

External Communications .....6

Conflict Of Interest.....6

Personal Interests When Dealing With Customers or Suppliers .....6

Non-Clarke Employment.....7

Giving/Receiving Cash, Gifts, Services, Favors, Other Benefits.....7

Payments to Government Officials and Employees.....8

Reporting Integrity.....8

Electronic Communication .....8

No Improper Influence On Audits .....8

Protection And Use of Company Information .....8

Trademarks.....9

Contracts With Competitors .....9

Health And Safety .....9

*A Message from Mark M. Andreae, CEO.....*

At Clarke, we believe that it takes more than strong business results to build a great Company; it also requires an unwavering commitment to our core values of conducting all business activities with the highest ethical standards. Business ethics is a critical component for our Company's success because it builds trust and confidence for our employees, customers, suppliers, shareholders, and the communities in which we work. The following information which we refer to as **Clarke's Code of Business Conduct** describes the principles and guidelines we follow in support of this commitment to honesty, integrity, and responsible corporate behavior.

**Clarke's Code of Business Conduct** is not a comprehensive document that addresses all laws and policies or every ethical issue that employees may confront. Rather, it is a guide and resource that is intended to alert employees to significant legal and ethical issues that may arise. All Clarke employees have a responsibility to be familiar with and to follow these principles and guidelines, and to conduct themselves in an ethical manner. I encourage all employees to become accustomed with the Code and to maintain appropriate business conduct at all times.

- I. **INTRODUCTION** – Clarke Power Services, along with its subsidiaries (Company), has been committed to conducting all business activities with the highest ethical and legal standards throughout our history. This commitment has built a strong reputation for Clarke as an ethical Company. The following information, which we refer to as Clarke’s Code of Business Conduct, describes laws, principles, and guidelines we follow in support of this commitment.  
All Clarke employees have a responsibility to be familiar with the Clarke Code of Business Conduct. The action of Clarke’s employees reflects on the Company. The Company expects employees to act with honesty, integrity, and in compliance with the law, both internally as well as in all business dealings.
- II. **Who must follow the Code?** – The Code of Business Conduct applies to all employees of Clarke Power Services and its subsidiaries.
- III. **The Code and the Law** - Company operations and Company employees are subject to the laws of many states and other jurisdictions around the world. Employees are expected to comply with the Code and all applicable government laws, rules and regulations. If a provision of the Code conflicts with applicable law, the law controls.
- IV. **Seeking Advice or Reporting Concerns and Violations** – When faced with unethical business conduct, or legal questions and uncertainties, employees have a right and an obligation to seek the advice and guidance necessary to resolve the concern or question. Never hesitate to ask for help if you are in a situation and don’t know what to do.  
Promptly bring to the Company’s attention any situations that may be violations of the Code or the law. Such timely reporting may be critical in preventing harm. Clarke encourages the responsible reporting of potential violations of the Code.  
**To obtain guidance or to report a potential violation, contact the Code of Conduct HOTLINE at #513-475-3498 or email to [chotline@clarkepsi.com](mailto:chotline@clarkepsi.com)** Any supervisor or member of management who is notified of a potential violation is responsible for promptly communicating the reported violation to his or her supervisor and directly to the CFO or Director of Human Resources.

**Question**

What should I do if my supervisor asks me to do something that I believe is against Company policy, illegal or unethical?

**Answer**

If you feel the request is contrary to Company policy, illegal or unethical, Company policy requires you voice your concerns. If you choose, you can discuss the issue with your supervisor. If this is not appropriate or doesn’t solve the problem you may always contact the Code of Conduct HOTLINE.

- V. **No Retaliation** – Clarke values the help of employees who identify potential problems that the Company needs to address. No disciplinary action or retaliation will be taken against an employee who, in good faith, brings a concern to the Company’s attention, even if the concern later proves to be unfounded. Any employee who feels he/she has been retaliated against or threatened with retaliation should promptly report the matter to the Human Resources Department.
- VI. **Investigations** – Clarke takes all reports of possible misconduct seriously. We will investigate the matter confidentially, make a determination whether the Code or the law has been violated, and take appropriate corrective actions. If you are asked to participate in a Corporate investigation, cooperate fully and answer all questions completely and honestly.
- VII. **Disciplinary Action** – Clarke believes that employees are accountable for their actions. Appropriate disciplinary action will be taken for violations of the Code or other Clarke policies in conformance with applicable laws related to discipline.
- VIII. **Child Labor** – Clarke complies with all child labor laws. Clarke supports the reduction of unlawful child labor and child exploitation. Clarke expects the suppliers and contractors with whom we do business to embrace similar values and standards.
- IX. **Forced Labor** – Clarke does not utilize forced or compulsory labor. Clarke recruits its employees and provides working conditions, including payment of wages and benefits, in ways that comply with applicable laws and regulations.
- X. **Fraud** – It is the policy of Clarke to prohibit fraud within the Company and in all external dealings with vendors, customers, agencies and other third parties. Fraud generally involves taking something you are not entitled to, or lying to receive something of benefit for yourself or the Company.



*Question*

If I report a concern, will I get in trouble if my concern turns out to be unfounded?

*Answer*

No disciplinary action or retaliation will be taken against an employee who brings a concern to the Company’s attention, even if the concern later proves to be unfounded. However, an employee will be subject to disciplinary action for reporting something that he or she knows at the time to be untrue, false or misleading.

The term fraudulent act specifically includes, but is not limited to, such things as:

- Theft of any Company property
- Forgery
- Any misappropriation of funds, supplies or any other Company asset
- Any irregularities of money transactions
- Falsification of expense statements
- Falsification of warranty related claims
- Improper financial reporting or recording of fictitious or misleading transactions in the financial records of the Company
- Bribery
- Tax evasion
- Revenue or assets obtained by fraud (i.e., defrauding customers or suppliers)
- Receipt of gifts or other benefits from any person or organization that does or seeks to do business with, or is a competitor of the Company

Included in the above definition is any irregularity or suspicion of any irregularity involving vendors, customers, Company personnel, agencies, unknown parties, or Company property.

- XI. ***Harassment, Discrimination and Workplace Violence*** – At Clarke, each individual shall be treated with fairness, dignity, and respect. Harassment or discrimination in any form is prohibited, including but not limited to harassment or discrimination targeted at an individual because of his or her race, color, religion, sex, sexual orientation, age, disability, national origin, or any other protected class. The use or circulation of offensive materials, slurs, inappropriate remarks, and “humor” at another’s expense undermines respect and is not appropriate for our workplace.

Workplace violence is another form of harassment. Clarke will not tolerate violence in the workplace in any form. Examples of workplace violence include physical assault, threat of physical harm or assault, stalking, intimidation, and theft or vandalism of Company or personal property.

If you observe or experience workplace behavior that you feel constitutes harassment or workplace violence, report it immediately to the Human Resources Department.

***Question:***

My supervisor frequently makes very personal comments about my appearance and tries to get me to go out with him/her. Can I make a report about my supervisor’s behavior?

***Answer:***

You should clearly advise your supervisor that you want the personal comments and invitations to stop. If they continue or if you are not comfortable talking with your supervisor about this matter, contact your supervisor’s manager or the Human Resources Department.

- XII. **Alcohol and Drug Abuse** – All Clarke employees must be free of impairment due to alcohol or drugs upon reporting to work and during all work time. To that end, employees are prohibited from possessing or using alcohol or illegal drugs on Company property or while on Company business.

Alcohol – Unauthorized possession or use of alcohol on Company property is prohibited. Use of alcohol off premises while on Company business is prohibited if such use results in either:

- Impairment of the employee’s business judgment or job performance; or
- Placing at risk the safety of the employee or others

Drugs – The possession, use, sale, manufacture or distribution of illegal drugs, including the abuse or misuse of legal drugs, is prohibited.

- XIII. **Employee Personal Relationships** – Personal relationships (i.e., specifically emotional or sexual) between employees on their personal time and off Company property, fall outside Company policy. However, the Company will become involved and will take appropriate action, if either of the following occurs:

- Relationship becomes a disruption in the workplace; or
- A supervisor engages in a relationship with anyone within his/her direct line of supervision

- XIV. **External Communications** – All information disclosed outside of the Company must be accurate, complete, and disseminated in accordance with Clarke policies. Only authorized personnel may speak as a Clarke representative or about Clarke’s business with the press or at external events, conferences, industry tradeshows, or forums. Similarly, only people authorized by the Chief Financial Officer may speak on behalf of Clarke to members of the financial community.

- XV. **Conflict of Interest** – A conflict of interest arises when an employee’s personal interests or activities influence, or appear to influence, the ability to act in the best interests of Clarke. Outside interests, activities or employment that may be considered a conflict of interest should be brought to the attention of your supervisor or the Human Resources Department.

- XVI. **Personal Interests when Dealing with Customers or Suppliers** – No Clarke employee may benefit, or seek to benefit, from the relationships that we have with our customers and suppliers. All employees must be free from the influence of personal considerations when representing the Company in transactions with outside parties, when making recommendations related to such transactions or when making decisions about such transactions.

XVII. **Non-Clarke Employment** – Clarke does not wish to interfere with an employee’s activities outside the hours worked for the Company. Employees may engage in other business activities, provided:

- Clarke’s relationship with its vendors or customers is not adversely affected
- No provision of any Employee Agreement is violated
- Performance and attendance are not affected
- Work time is not used to conduct outside business activity
- Clarke personnel, property, materials, supplies or equipment are not used

No employee may work for suppliers or consultants related to Clarke’s field of interest, customers, or competitors without prior written approval of the Clarke President.

**Question:**

During the holidays, a number of outside organizations such as employment agencies, consultants, law firms and other professional organizations send us fruit baskets, cookies, and candies, etc. Can we accept these gifts?

**Answer:**

Yes, such gifts of nominal value may be accepted and should be shared with members of your work group. Under no circumstances should gifts be solicited nor considered a requirement of doing business with Clarke.

XVIII. **Giving/Receiving Cash, Gifts, Services, Favors, Other Benefits or Business Courtesies** – Clarke sells and purchases products and services on the merits of competitive pricing, quality of work and materials and timely performance. Clarke does not want to conduct business on any other basis.

Employees or members of their family must not offer, solicit or accept any items of value to/from any person or organization that does or seeks to do business with, or is a competitor of, the Company if such items may be construed as an attempt to influence or induce business.

There are instances where something of nominal intrinsic value may be accepted without conflict of interest. The most common examples are an occasional business meal, acceptance of unsolicited promotional materials, complimentary attendance at a promotional trade show or sporting events, and the acceptance of civic, charitable, or educational awards for recognition of service and accomplishment.

Any gift or gratuity in any form that could compromise the integrity of the Company should not be accepted. If any employee has any question about the



appropriateness of acceptance of a gift, the employee can decline the gift and/or bring it to the attention of the Human Resources Department.

For the purposes of this policy, “nominal intrinsic value” is generally considered to be less than \$100 total value from a single source over a reasonable period of time.

The offer or acceptance of cash or cash equivalents is not appropriate under any circumstances. An employee or member of his or her family may accept discounts on personal purchases of a supplier’s or customer’s products only if such discounts are offered to all other Company employees.

- XIX. ***Payments to Government Officials and Employees*** – Clarke’s policy is to comply with all applicable laws and regulations regarding payments to or providing things of value to government officials and employees. We will not offer, authorize or make any illegal payments or provide anything of value, directly or indirectly, to a government official (including legislators), political party or candidate for political office to use his/her influence to obtain or retain business for the Company. Both the offer and actual payment of anything of value is illegal. Payments to third parties are also prohibited if a person knows or should have known that the third party will make an illegal payment to a government official.
- XX. ***Reporting Integrity*** –Company records must be true, accurate and complete. Such records include accounting records, expense statements, financial and research reports, and time records. Improper or fraudulent accounting, documentation or financial reporting violate Company policy and may also be in violation of applicable laws.
- The CFO is available for the confidential submission of concerns regarding questionable accounting or auditing matters.
- XXI. ***Electronic Communication*** – Please refer to the Electronic Communication Policy included as part of your Employee Orientation.
- XXII. ***No Improper Influence on Audits*** – Employees must not directly or indirectly take any action to manipulate or mislead any internal or external auditor in the performance of an audit.
- XXIII. ***Protection And Use of Company Information*** – Information is one of Clarke’s most valuable assets. The protection of Company information from unauthorized use, disclosure or destruction is the responsibility of every Clarke employee. Company information should only be used for approved Company purposes. Appropriate approvals must be obtained for disclosure of information outside the Company. Failure to adhere to this policy could subject an employee

to liability under “trade secrets” protection laws. To the extent allowed by law, the Company reserves the right to monitor the use of Company information at any time.

XXIV. **Trademarks** – Our Company name and logo, our product and service names and logos, are all valuable trademark assets. Trademarks owned by Clarke may not be used by employees for their own personal purposes.

XXV. **Contacts with Competitors** – In all contacts with competitors, avoid any conduct that suggests an expressed or implied understanding or agreement exists with respect to prices, terms of sale, production for third parties, or allocation of customers, markets or territories.

Company policy prohibits any discussion or communication with any representative of a competitor concerning the following:

- Prices
- Pricing policies
- Bids
- Discounts, royalties or promotions
- Credit or shipment terms, or other conditions of sale
- Choice of customers or allocating customers between competitors
- Territorial markets (i.e., dividing up a territory between competitors)
- Employee compensation practices

XXVI. **Health and Safety** – Clarke strives to provide employees with a safe and healthy workplace in compliance with all applicable laws and regulations, ensuring, at a minimum, reasonable access to drinkable water and sanitary facilities, fire safety, and adequate lighting and ventilation.

**CLARKE POWER SERVICES RESERVES THE RIGHT TO AMEND, ALTER OR TERMINATE THIS CODE AT ANY TIME AND FOR ANY REASON.**

**EMPLOYEE ACKNOWLEDGEMENT - CODE OF BUSINESS CONDUCT**

I certify that I have read, understand, and agree to abide by the Clarke Power Services Inc. Code of Business Conduct Policy.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Employee Name

\_\_\_\_\_  
Print Branch