

<b>POLICIES AND PROCEDURES</b>			
<b>ALEX PRODUCTS, INC.</b> Ridgeville Corners, Ohio		Number: 200	Revision No.: Rev A
Controlled Copy Location: Bock	Office of Kevin	Effective Date: 01/01/2002	Page: 1 of 5
<b>Title: CONFLICTS OF INTEREST AND ETHICAL CONDUCT POLICY DRAFT</b>			

## **POLICY**

Conflicts of Interest and Ethical Conduct Policy Draft

### **I. SCOPE**

This policy applies to all Alex Products Salary Exempt employees

### **II. BASIC OBJECTIVE**

Alex Products has long established itself as a reputable organization of high ethical standards. This reputation has stemmed from the personal integrity of its people, together with the determination of Alex Products that all of its actions be based on sound ethical principles. All action of Company personnel in business or public life tend to enhance or detract from this reputation, and it is essential that these high standards of the Company respected and observed in all contacts made by its employees with customers, suppliers, the general public, or fellow employees.

Employment with Alex Products imposes a duty of loyalty to the Company and a responsibility to act in the best interests of the Company. Employees must maintain the highest degree of honesty and integrity so that the Alex Products can, in turn, conduct its business on the same high plane. Specifically, employees have an obligation to avoid any involvement where the possibility of some private or personal advantage or gain could produce a conflict between self-interest and the interest of the Company.

Alex Products, Inc. does not expect anyone to act in any way contrary to his or her high moral and ethical standards under the pretense that it would be in the best interest of the Company. We do not want you to consider your personal conduct on behalf of the Company to be a contradiction to your moral conscience.

To inform all personnel of Company policy in this matter of business ethics, and to safeguard the sound continuation of this policy, the following statement of ethical principles has been adopted. No attempt has been made to make this policy all-inclusive.

### III. POLICY STATEMENT

#### A. Outside Business Interest and Employment

It is the policy of the Company to employ only employees who do not engage in outside jobs or other business activities involving a firm, which is competing with, selling to, or buying from the company. Further, employees may be hired or retained when engaged in other outside jobs or business activity only when such activities do not interfere in any way with the job being performed for the Company. Alex's policy is to pay fair and competitive compensation for full time work. The normal demands of full time employment are not compatible with "moonlighting" and supplemental or secondary employment is discouraged. In no event may employees have outside interests that are in any way detrimental to the best interest of the Company.

#### B. Affiliation with Vendor and Customer Company

The Company buys many goods and services from others. In doing this, it is the policy of the Company to award business on the basis of merit, without favoritism, and wherever practical on a competitive basis. This policy requires that employees have no relationships or engage in any activities that might impair their independence of judgment. Therefore, officers, members of management, and members of their respective families, together with any other employee who buys or sells goods or services, or who has responsibility in connection with buying or selling, for or on behalf of the Company, are prohibited from having any substantial economic interest in private or publicly held business concerns which transact business with the Company or are in competition with it. An interest is substantial if it represents a substantial proportion of the individual's net worth or a substantial proportion of such business enterprise. Neither shall he be materially interested in any business interest in competition with the Company, nor which deprives the Company of any business opportunities.

#### C. Gifts Received by Employees

No employee, officer, or member of management of the Company, or members of his family shall accept any gifts of more than token value, unusual hospitality, lavish entertainment or other favors from third persons, which go beyond common courtesies usually associated with accepted business practice and thereby place him under obligation to a vendor, banker or other person soliciting or doing business with the Company.

#### D. Inside Information

Employees shall not, without proper authority, give or release to anyone not employed by the Company, or to another employee who has no need for the information, data or information of a confidential nature concerning the Company. (Reference “Confidentiality & Trade Secrets” policy)

#### E. Gifts, Favors, Entertainment and Payments by the Company

Gifts, favors and entertainment may be given to others at Company expense only if they meet all to the following criteria:

1. They are consistent with accepted business practice; and
2. They are of sufficiently limited value, and in a form that will not be construed as a bribe or pay-off; and
3. They are not in contradiction of applicable law and generally accepted ethical standards; and
4. Public disclosure of the facts, including the identity of the recipient, will not result in embarrassment to the Company.

#### F. Bribes and Other Improper Payments

No bribe, kickback or other improper payment shall be made by or on behalf of Alex Products in connection with any of its business. Local practices or customer may be followed with regard to tips or gratuities for services rendered so long as the amount and timing of the gratuity is such that it could not be reasonably construed as a bribe. No agents’ fees or commissions shall be paid of by reason of the excessive amount thereof or requested devious method of payment if appears reasonably likely that a bribe will be paid in connection with the transaction.

#### G. Improper Accounting Practices

No undisclosed or unrecorded fund or asset shall be established for any purpose. No withdrawal shall be made from any disbursement account except by check or other acceptable means of transfer customarily used by major banks, and then only by authorized personnel, and no check shall be made payable to “Cash” or other unidentifiable payee.

No false or artificial entries will be made on the books and records of Alex Products or any subsidiary for any reason and no employee shall engage in any arrangement that results in such entry.

No payment shall be approved or made with the intention or understanding that any part of such payment is to be used for a purpose other than that disclosed by the documents supporting the payment.

## H. Disclosures

It will be the responsibility of the concerned Manager or employee to report to the Human Resource department, without any undue delay, all participation in any outside business relationship or other activity which might involve a conflict of interest either actual or a latent possibility, and all professional or consultant ventures for compensation, including directorships, so that action may be taken to determine whether a problem exists and, if so, to eliminate it. The respective department head shall confer with the COO, as necessary, concerning interpretation and application of this policy to particular situations.

It is difficult to describe all of the circumstance and conditions that border on situations that might be considered undesirable. The Company recognizes that there can be borderline situations, and these situations will be reasonably considered with full recognition of the attendant circumstances. Where definite possibility of conflict of interest is determined, the employee will be given a reasonable time to correct the conflict

## **IV. ADMINISTRATIVE GUIDANCE**

- A. It is the responsibility of the Human Resource Department to insure that the policy is widely disseminated, understood and applied. All management and professional personnel who are in a position to influence decisions of their area, with regard to procurement of goods and services and other employees whose duties include business relationships with vendors and customers are to sign the Statement Conflict of Interest and Ethical Conduct (Appendix A) at a time of issuance, initial employment or promotion into covered position.
- B. Each covered employee shall be given a copy of the policy statement and shall be required to complete the Statement Re Conflicts of Interest and Ethical Conduct (Appendix A). One copy of the form is to be retained by the company in the individual's confidential personnel record and the other will be given back to the employee for reference.
- C. If a question of interpretation arises or an instance of conflict of interest appears, the employee must contact their manager or the Human Resource representative, as appropriate, to confer regarding corrective action.

**CONFIDENTIAL**

**STATEMENT OF OFFICER OR EMPLOYEE CONFLICTS OF INTEREST AND ETHICAL CONDUCT**

I have read and understand the Company's policy regarding conflicts of interests and ethical conduct adopted by Alex Products, Inc.

To the best of my knowledge and belief, neither I nor any member of my immediate family has any interest or connection, or has within the past year engaged in any activity, which does or may conflict with the Company's conflicts of interest and ethical conduct policy.

\_\_\_\_\_(A) the foregoing statement is true, without exception.

NOTE: If the employee has any reasonable doubt as to the conformity of his present financial interest or activities with the policy above set forth, he should report the same for clearance or record purposes.

Likewise, if at any time hereafter there is a change in circumstances which would make the statement aforesaid as of that time, the employee should, at that time, file a further report.

\_\_\_\_\_  
Name (Please Print or Type)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**PART II**

Statements of facts, which may involve a conflict of interest.