



Day & Zimmermann

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Policy: Giving and Receiving Gifts, Meals and Entertainment

Policy No.: 1306-04

Responsible Officer: Senior VP Finance and CFO

1.0 Purpose

This policy is designed to:

- Foster a standard of conduct, which reflects positively on the Company and its employees in the eyes of the public.
- Protect the Company from embarrassment and financial loss.
- Preserve a climate, which acknowledges the integrity of individual employees, as well as the advantages to the Company of certain outside activities by its employees.

2.0 Policy

Employees must avoid activities with the Company's business partners that may conflict or appear to conflict with the interest of the Company. Employees should also avoid activities that can unduly influence others in favor of the Company or create the appearance of undue influence.

Receiving excessive gifts, meals and entertainment from the Company's customers or suppliers can create such conflicts of interest or the appearance of conflicts of interest. Also, providing excessive gifts and entertainment to employees of customers may result in or create the appearance of undue influence on those individuals in their business dealings with the Company. Accordingly, the Company establishes the following guidelines for giving and accepting gifts, meals and entertainment:

2.1 Gifts and Entertainment Involving Suppliers or Non-Government Customers Accepting Gifts and Entertainment

An employee is permitted to accept gifts or meals from customers or suppliers or from potential customers or suppliers in accordance with the guidelines below:

- a) An employee may accept up to two gifts, not to exceed \$200.00 in value in total, and up to two meals, also limited to \$200.00 in value in total, from the same entity in a calendar year. Employees receiving such gifts and meals must inform their direct supervisors in writing prior to or immediately after receiving such gifts and meals.
- b) An employee may accept up to two tickets per calendar year to a social event, such as a play or sporting event hosted by the Company's customers or suppliers or by potential customers or suppliers, even if the total value is more than \$200.00. In addition, an employee is allowed to accept two invitations to play golf or other sport with such customers or suppliers, even if the value of a single event is more than \$200.00 per person. An employee should not accept more than two such invitations per year from the same customer or supplier.

2.2 Providing Gifts and Entertainment

- a) An employee may provide a gift with a monetary value of up to \$200.00 per person, per year to a customer or a potential customer. An employee may also provide meals with a monetary value of up to \$200.00 per meal to a customer or potential customer, with no annual limit on the number of meals. The \$200.00 limit is not applicable for social events such as golf games, sporting events and plays that an employee may host to entertain customers or potential customers on behalf of the Company.

b) An employee can provide a gift or a meal with a monetary value of up to \$200.00 per person, per calendar year to employees of suppliers or potential suppliers. In addition, an employee may provide to such suppliers up to two tickets per person, per calendar year to a social event such as a play, sporting event or an activity hosted by the Company, even if the total value is more than \$200.00.

2.3 Related Issues

a) The permissible invitation in all situations mentioned above cannot be for an event that includes plane fare or hotel stays, nor can it include entertainment that would reflect adversely on the Company's reputation or image in the marketplace or the community at large.

b) Business and corporate staff unit heads can establish a lower dollar limit for both giving and receiving gifts, meals and entertainment, if deemed appropriate.

c) Giving or receiving of cash in any amount is prohibited. Allowable gifts are seasonal/holiday gifts and general sales and promotional items.

2.4 Approval of Exceptions

Any exception to the above guidelines must be approved in writing by the department's or business unit's Leadership Council Member.

Any exception to the above guidelines for a member of the Leadership Council requires the approval of the Chairman and CEO.

The approving party should consider the following:

a) Whether or not the Company is in any contract negotiation with the inviting or invited party.

b) Whether or not participating in a social or sporting event or receiving/giving a gift during such negotiation can create the appearance of unduly influencing the invited employee or the invited guest.

2.5 Gifts and Entertainment Involving Government Employees or Public Office Holders

It is prohibited by Federal law to provide any gifts, meals or other gratuities to an employee of the U.S. government (executive branch or military service) or to any U.S. Congressional member or staff person. However, small dollar value mementos and or refreshments (worth \$20.00 or less) are permissible in certain situations. Employees should consult with the Law Department to determine the permissibility of such gifts and entertainment to U.S. Government personnel.

Gifts and entertainment expenses involving political candidates, state and local government employees, state or local public office holders, foreign government employees, or foreign public holders must be authorized in advance by appropriate management in consultation with the Law Department.

3.0 Application

Responsibility for conduct within the letter and spirit of this policy rests with each individual. Recognizing the value of certain outside activities, the intent of this policy is to ensure management awareness and control rather than to prohibit outright those activities that might create a potential conflict of interest.

Thus, each individual is responsible for reporting through the normal organizational channels any such activity in which he or she is engaged. The CEO or Leadership Council Member, with the advice of counsel, is responsible for determining whether or not an actual or potential conflict exists and establishing any controls required.