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# BUSINESS NAME

# CODE OF BUSINESS CONDUCT AND ETHICS MANUAL

Reviewed: 2019

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## Introduction

[Insert Welcome message from President/Manager/Director]

[Insert Business Vision Statement]

[Insert Business Mission Statement]

## Scope

This Code of Business Conduct and Ethics manual applies to all [Business Name] representatives, management, and employees. These individuals will be commonly referred to as Covered Parties in this manual.

## Purpose

[Business Name] installs in every aspect high values. [Insert Business Value Statement here]. [Business Name] continues to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions. This Code of Business Conduct and Ethics serves to (1) emphasize the commitment to ethics and compliance with the law; (2) set forth basic standards of ethical and legal behavior; (3) provide reporting mechanisms for known or suspected ethical or legal violations; and (4) help prevent and detect wrongdoing.

## Trust, Credibility, Confidence

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching business goals solely through honorable conduct. It is easy to say what we must do, but the proof is in our actions. Ultimately, we will be judged on what we do. When considering any action, it is wise to ask: will this build trust and credibility for [Business Name]? Will it help create a working environment in which [Business Name] can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering “yes” to those questions and by working every day to build our trust and credibility.

## Respect

We all deserve to work in an environment where we are treated with dignity and respect. [Business Name] is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone’s talents go to waste. [Business Name] is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee who feels harassed or discriminated against should report the incident to their manager or to human resources.

## Open Communication

At [Business Name] everyone should feel comfortable to speak their mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times. [Business Name] will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

## Management’s Role

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example. Again, ultimately, our actions are what matters. To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees’ ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At [Business Name], we want the ethics dialogue to become a natural part of daily work.

## Whistleblower Policy

[Note to employer: This policy should be adopted in an employee handbook if available]

Employees are encouraged, in the first instance, to address such issues with their managers or the HR manager, as most problems can be resolved swiftly. If for any reason that is not possible or if an employee is not comfortable raising the issue with their manager or HR, [Business Name]’s does operate with an open-door policy.

## Laws and Compliance

[Business Name]’s commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must have an understanding of the company policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or [Business Name] policy, we should seek the advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations. Because of the nature of our business, some legal requirements warrant specific mention here. Obeying the law, both in letter and in spirit, is the foundation on which the Business’ ethical standards are built. In conducting the business of the Company, the Covered Parties shall comply with applicable governmental laws, rules and regulations at all levels of government in the United States and in any non-U.S. jurisdiction in which the Company does business. Although not all Covered Parties are expected to know the details of these laws, it is important to know enough about the applicable local, state and national laws to determine when to seek advice from supervisors, managers or other appropriate personnel.

## Health and Safety

[Business Name] is dedicated to maintaining a healthy and safe environment. [Note: Consider creating a safety manual designed to educate employees on safety in the workplace.]

## Competition

We are dedicated to ethical, fair and vigorous competition. We will sell [Business Name] products and services based on their merit, superior quality, functionality, and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for [Business Name] or the sales of its products or services, nor will we engage or assist in unlawful boycotts of particular customers.

## Proprietary Information

It is important that we respect the property rights of others. We will not acquire or seek to acquire improper means of a competitor’s trade secrets or other proprietary or confidential information. We will not engage in unauthorized use, copying, distribution, or alteration of software or other intellectual property.

## Selective Disclosure

We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material nonpublic information with respect to [Business Name], its securities, business operations, plans, financial condition, results of operations, or any development plan. We should be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain material nonpublic information.

## Recordkeeping

We create, retain, and dispose of our Business records as part of our normal course of business in compliance with all [Business Name] policies and guidelines, as well as all regulatory and legal requirements. All corporate records must be true, accurate and complete, and business data must be promptly and accurately entered in our books in accordance with [Business Name]’s and other applicable accounting principles. We must not improperly influence, manipulate, or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of [Business Name] books, records, processes, or internal controls.

## Accounting Deficiencies

The Manager and each senior financial officer shall promptly bring to the attention of the Audit Committee any information they may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Business ability to record, process, summarize, and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Business financial reporting, disclosures, or internal control over financial reporting.

## Confidentiality

Covered Parties must maintain the confidentiality of confidential information entrusted to them, except when disclosure is authorized by an appropriate legal officer of the Business or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the Business or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Business. The obligation to preserve confidential information continues even after employment ends.

## Conflicts of Interest

A conflict of interest exists when a person’s private interest interferes in any way with the interests of the Business they are working for. A conflict can arise when a Covered Party takes actions or has interests that may make it difficult to perform their work for the Business objectively and effectively. Conflicts of interest may also arise when a Covered Party, or members of their family, receives improper personal benefits as a result of their position at the Business. Loans to, or guarantees of obligations of, Covered Parties and their family members may create conflicts of interest. It is almost always a conflict of interest for a Covered Party to work simultaneously for a competitor, customer, or supplier.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or manager. Any Covered Party who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor or manager.

All directors and executive officers of the Company, and the chief executive officers and chief financial officers of [Business Name] subsidiaries, shall disclose any material transaction or relationship that reasonably could be expected to give rise to such a conflict to the Chairman of the Company’s Audit Committee. No action may be taken with respect to such transaction or party unless and until such action has been approved by the Audit Committee.

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of [Business Name] may conflict with our own personal or family interests because of the course of action that is best for us personally may not also be the best course of action for [Business Name]. We owe a duty to [Business Name] to advance its legitimate interests when the opportunity to do so arises. We must never use [Business Name] property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with [Business Name].

Here are some other ways in which conflicts of interest could arise:

1. Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with [Business Name].

2. Hiring or supervising family members or closely related persons.

3. Serving as a board member for an outside commercial company or organization.

4. Owning or having a substantial interest in a competitor, supplier, or contractor.

5. Having a personal interest, financial interest, or potential gain in any [Business Name] transaction.

6. Placing company business with a firm owned or controlled by a [Business Name] employee or their family.

7. Accepting gifts, discounts, favors, or services from a customer/potential customer, competitor, or supplier, unless equally available to all [Business Name] employees.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any activity, transaction, or relationship that might give rise to a conflict of interest, employees must seek review from their managers or the HR department.

## Corporate Opportunities

Covered Parties are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information, or position without the consent of the Board of Directors of the Company. No Covered Party may use corporate property, information, or position for improper personal gain and no employee may compete with the Company directly or indirectly. Covered Parties owe a duty to the Company to advance its legitimate interests whenever possible.

## Fair Dealing

Covered Parties shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care, and shall engage only in fair and open competition, by treating ethically competitors, suppliers, customers, and colleagues. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent, or inducing such disclosures by past or present employees of other companies is prohibited. No Covered Party should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

## Insider Trading

Covered Parties who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the Company’s business. All non-public information about the Company should be considered confidential information. It is always illegal to trade in [Business Name] securities while in possession of material, non-public information, and it is also illegal to communicate or “tip” such information to others.

## Company Assets

All Covered Parties should endeavor to protect the Company’s assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company’s profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. The Business equipment should not be used for non-Company business, though incidental personal use is permitted. The obligation of Covered Parties to protect the Company’s assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information, and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Business policy. It could also be illegal and result in civil or criminal penalties.

## Company Resources

Company resources, including time, material, equipment, and information, are provided for company business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace. Employees and those who represent [Business Name] are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use. Generally, we will not use company equipment such as computers, copiers, and fax machines in the conduct of an outside business or in support of any religious, political, or other outside daily activity, except for company-requested support to nonprofit organizations. We will not solicit contributions nor distribute non-work related materials during work hours. In order to protect the interests of the [Business Name] network and our fellow employees, [Business Name] reserves the right to monitor or review all data and information contained on an employee’s company-issued computer or electronic device, the use of the Internet or [Business Name]’s intranet. We will not tolerate the use of company resources to create, access, store, print, solicit, or send any materials that are harassing, threatening, abusive, sexually explicit, or otherwise offensive or inappropriate. Questions about the proper use of company resources should be directed to your manager.

## Gifts and Gratuities

[Business Name] is committed to competing solely on a merit of our products and services. We should avoid any actions that create a perception that favorable treatment of outside entities by [Business Name] was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment, or other benefits from persons or companies with whom [Business Name] does or may do business. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation, or polices of [Business Name] or customers, or would cause embarrassment or reflect negatively on [Business Name]’s reputation.

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

* Flowers, fruit baskets, and other modest presents that commemorate a special occasion.
* Gifts of nominal value, such as calendars, pens, mugs, caps, and t-shirts (or other novelty, advertising, or promotional items).

Generally, employees may not accept compensation, honoraria, or money of any amount from entities with whom [Business Name] does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) that have a market value greater than $100 may not be accepted unless approval is obtained from management.

Employees with questions about accepting business courtesies should talk to their managers or the HR department.

## Accepting Business Courtesies

Most business courtesies offered to us in the course of our employment are offered because of our positions at [Business Name]. We should not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at [Business Name] to obtain business courtesies, and we must never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and good will with the firms that [Business Name] maintains or may establish a business relationship with.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company’s reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when [Business Name] is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain [Business Name] business.

## Offering Business Courtesies

Any employee who offers a business courtesy must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon [Business Name]. An employee may never use personal funds or resources to do something that cannot be done with [Business Name] resources. Accounting for business courtesies must be done in accordance with approved company procedures.

Other than to our government customers, for whom special rules apply, we may provide nonmonetary gifts (i.e., company logo apparel or similar promotional items) to our customers. Further, management may approve other courtesies, including meals, refreshments, or entertainment of reasonable value, provided that:

* The practice does not violate any law or regulation or the standards of conduct of the recipient’s organization.
* The business courtesy is consistent with industry practice, is infrequent in nature and is not lavish.
* The business courtesy is properly reflected on the books and records of [Business Name].

## Meals, Refreshments, and Entertainment

We may accept occasional meals, refreshments, entertainment, and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

* They are not inappropriately lavish or excessive.
* The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
* The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
* The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with their manger or co-worker or having the courtesies known by the public.

## Public Disclosures

We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely, and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

Employees should inform Executive Management and the HR department if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication.

In reports and documents filed with or submitted to the Securities and Exchange Commission and other regulators by the Company, and in other public communications made by the Company, the Covered Parties involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely, and understandable. Where applicable, these Covered Parties shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts, or omit material facts necessary to avoid misleading the Business, independent public auditors, or investors.

## Promote Substance over Form

At times, we are all faced with decisions we would rather not have to make and issues we would prefer to avoid. Sometimes we hope that if we avoid confronting a problem, it will simply go away. At [Business Name], we must have the courage to tackle the tough decisions and make difficult choices, secure in the knowledge that [Business Name] is committed to doing the right thing. At times this will mean doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we should do so. Although [Business Name]’s guiding principles cannot address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct.

## Violations of Ethical Standards - Reporting Known or Suspected Violations

The Company’s [directors, CEO, senior financial officers and chief legal officer] shall promptly report any known or suspected violations of this Code to the Chairman of the Company’s Audit Committee. All other Covered Parties should talk to supervisors, managers or other appropriate personnel about known or suspected illegal or unethical behavior. These Covered Parties may also report questionable behavior in the same manner as they may report complaints regarding accounting, internal accounting controls, or auditing matters by calling (anonymously, if desired) [Insert Contact Name]. No retaliatory action of any kind will be permitted against anyone making such a report in good faith, and the Company’s Audit Committee will strictly enforce this prohibition.

## Violations of Ethical Standards - Accountability for Violations

If the Company’s Audit Committee or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending Covered Party may be disciplined for non-compliance with penalties up to and including removal from office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the Audit Committee, demotion or re-assignment of the individual involved, and suspension with or without pay or benefits. Violations of this Code may also constitute violations of law and may result in criminal penalties and civil liabilities for the offending Covered Party and the Company. All Covered Parties are expected to cooperate in internal investigations of misconduct. Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the HR department. [Business Name] takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.

## Media Inquiries

[Business Name] is a high-profile business in our community, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the [Public Relations Executive]. No one may issue a press release without first consulting with the [Public Relations Executive].

## Compliance Procedures

We must all work together to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

* Make sure you have all the facts. In order to reach the right solutions, we must be as informed as possible.
* Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? Use your judgment and common sense. If something seems unethical or improper, it probably is.
* Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
* Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the questions, and they will appreciate being consulted as part of the decision-making process.
* Seek help from Company resources. In rare cases where it would be inappropriate or uncomfortable to discuss an issue with your supervisor, or where you believe your supervisor has given you an inappropriate answer, discuss it locally with your office manager or your human resources manager.
* You may report ethical violations in confidence without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the Business legal obligations. The Company in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.
* Ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

## Waivers

Any waiver of this Code for executive officers or directors may be made only by the Business Board of Directors or its Audit Committee and will be promptly disclosed as required by law or stock exchange regulation.

## General Inquiries

Please feel free to contact any of the representatives stated below for general inquiries about this manual or about ethics in general.

* General Manager [or CEO, President, etc.] [First Name, Last Name, phone #, email]
* Director of Human Resources [First Name, Last Name, phone #, email]
* [Title of Other Contact Person] [First Name, Last Name, phone #, email]

## Acknowledgement

I have read and understand the above Code of Business and Ethics Manual.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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