

## **CODE OF CONDUCT**

**Revised as of September 1, 2010**

### **A. INTRODUCTION**

Ethical behavior and respect for the law are fundamental to the culture and the business practices of Quality Distribution, Inc., and its subsidiaries and affiliates (collectively, the “Company”), and are the foundation without which the Company cannot succeed. We are committed to conducting our business in strict compliance with both the letter and the spirit of the law and with the highest standards of professional and ethical conduct. Each director, officer and employee is responsible for effecting the Company’s business in a manner that demonstrates adherence to these high standards.

The Company’s good name and its reputation for integrity and good citizenship depend upon each one of us. Our individual conduct has a direct and significant impact on the Company’s business and reputation. Acting with integrity, respecting the law, maintaining harmonious and respectful relations among ourselves as well as with those with whom we do business, safeguarding confidentiality, placing respect for business ethics ahead of financial performance, protecting the property and resources of the Company, and respecting the environment are principles that must guide the professional conduct of our directors, officers and employees to ensure that our business activities meet the highest ethical and legal standards. Similarly, it is essential that business relations be established preferentially with partners who share our respect for the law and our concern for ethical and moral business practices.

We all have a duty of loyalty to the Company. As part of that duty, we may not benefit personally at the Company’s expense nor take actions contrary to the Company’s objectives. Each of us is expected to avoid any activity, investment, interest or association that may conflict, or appear to conflict, with the Company’s best interests. We are also expected to safeguard the Company’s records, funds, and other assets including all confidential and proprietary information and trade secrets.

Additionally, we all have an obligation to familiarize ourselves and comply with the laws and regulations that affect our work, as well as the Company’s related policies and procedures. In order to maintain the highest level of business ethics, the Company’s Code of Conduct (the “Code”) establishes standards of behavior that in some instances go beyond the strict requirements of the law. The purpose of the Code is to (i) focus directors, officers and employees on ethical behavior; (ii) provide guidance to help them recognize and deal with ethical issues; (iii) provide mechanisms for them to report unethical conduct; and (iv) foster among them a culture of honesty and accountability. No code of conduct can replace the thoughtful behavior of an ethical director, officer or employee. Accordingly, dishonest or unethical conduct or conduct that is illegal will constitute a violation of the Code, regardless of whether the Code specifically addresses such conduct.

Failure to comply with the Code can have severe consequences for the individuals involved and the Company. Officers and employees who violate the Code may be subject to discipline up to and including dismissal. Directors, officers and employees who violate the code might also simultaneously violate applicable law. Such directors, officers and employees may be subject prosecution; imprisonment, fines, and an obligation to reimburse the Company, the government or any other person or entity for any losses or damages resulting from the violation. Additionally, the Company may be subject to prosecution and significant fines.

Please read the Code carefully to ensure that you understand the important legal and ethical responsibilities we all share, as well as the consequences of non-compliance. The Code contains a great deal of important information, but it cannot possibly anticipate every ethical or legal issue that you might encounter. You may at any time discuss any aspect of the Code with your supervisor, the Company's Compliance Officer (as defined below) or the chairperson of the Audit Committee, as applicable. Within thirty days of receiving the Code, you are required to complete the Certification attached as Appendix A stating that you have read the Code and agree to abide by it. This certification may be returned by e-mail. You should read the code in conjunction with the Company's other policy statements, including, without limitation, the Employee Handbook and the Statement of Policy Regarding Securities Trading included therein.

## **B. IMPLEMENTATION AND OVERSIGHT OF THE CODE**

The Company's Board of Directors (the "Board") is ultimately responsible for the implementation of the Code. The Board has designated the Audit Committee to administer the Code. The Audit Committee is required to designate an officer with sufficient seniority and stature with the Company to be the compliance officer (the "Compliance Officer"). The Audit Committee has designated the Vice President of Human Resources, currently Melissa M. Ernst, as the Compliance Officer. She can be reached at 813-569-7155 or [mernst@qualitydistribution.com](mailto:mernst@qualitydistribution.com). The Code shall be administered by the chairperson of the Audit Committee with respect to directors and executive officers. The Board, through the Audit Committee, will review the Code and reports submitted by the General Counsel of the Company and the Compliance Officer to determine the adequacy of the Company's mechanisms and processes for detecting, reporting, investigating, and appropriately addressing suspected violations of the Code or law, whether through disciplinary, remedial, or other action.

No substantive amendment of the code may be made, and no waiver of any part of the Code affecting any director, officer or employee of the Company may be granted, except by a vote of the Board or a designated committee thereof, which will ascertain whether an amendment or waiver is appropriate and ensure that the amendment or waiver is accompanied by appropriate controls designed to protect the Company. Requests for a waiver or amendment of a provision of the code must be submitted in writing to the Compliance Officer or the chairperson of the Audit Committee, as appropriate, a reasonable period in advance of the proposed conduct for appropriate review. In some circumstances, the Company must disclose to its stockholders a waiver and/or amendment of the Code.

Every director, officer and employee must abide by applicable laws and company policies and support the Company's compliance efforts. If you have any questions about how to interpret these laws or policies, or how to apply them in a given situation, you should contact the compliance Office or the chairperson of the Audit Committee, as applicable. If you learn of or suspect that a violation of the Code has occurred or

is likely to occur, you must immediately report the violation to your supervision, the Compliance Officer, or the chairperson of the Audit Committee, as appropriate. Your supervisor, the Compliance Officer, or the chairperson of the Audit Committee, as applicable, will preserve the anonymity of the reporting person, if requested, to the extent possible under the circumstances, consistent with the Company's obligation to investigate that person's concerns and take necessary corrective action.

Reported violations will be investigated and addressed promptly and will be treated confidentially to the extent possible. Your supervisor, the Compliance Officer, or chairperson of the Audit Committee, as applicable, may interview directors, officers and employees, review relevant documents, and consult expert witnesses, as they deem necessary. If your supervisor, the compliance Officer, or the chairperson of the Audit Committee, as applicable, believes that misconduct has occurred, he or she will notify the Audit Committee, and, depending on the scope and gravity of the misconduct, the Audit Committee or a member thereof may issue a written report. Based on the investigation and recommendation from the supervisor and/or Compliance Officer, the Audit Committee will recommend and administer appropriate remedial, disciplinary or other action.

In addition, the Company has established a confidential toll-free Compliance Telephone Line that can be accessed anonymously 24 hours a day. The Compliance Telephone Line may be reached at 1-877-RPT-LINE (778-5463). In addition, you may confidentially and anonymously report violations of the Code by going to [www.reportit.com](http://www.reportit.com). When prompted, the Username is Quality and the Password is Distribution.

Directors, officers or employees who report violations or suspected violations in good faith will not be subject to discipline or retaliation of any kind, even if, upon investigation, their concerns prove to be unwarranted. The Company welcomes and appreciates efforts on the part of its directors, officers and employees to advise your supervisor, the Compliance Officer, or the chairperson of the Audit Committee, as applicable, of any possible wrongdoing. Any director, officer or employee responsible for reprisals against co-workers for reporting in good faith known or suspected violations will be subject to disciplinary action. On the other hand, any employee who knowingly submits a report that is false or that the employee reasonably suspects may be false also will be subject to disciplinary action.

### **C. ROLE OF THE COMPLIANCE OFFICER**

The Compliance Officer is responsible for assisting the Audit Committee, in implementing all aspects of the Code. Specifically, the Compliance Officer:

- investigates any reports of suspected misconduct that allegedly violate the standards and policies of the Company, as well as any other matter directed by the Audit Committee;
- makes recommendations for disciplinary, remedial, or other action;
- reports as necessary to the Audit Committee of the Board;
- ensures that the Code is distributed to all directors, officers and employees;
- oversees and coordinates the training and education of employees regarding the Code, Company policies, and key areas of the law;
- ensures that the Code is reviewed, as necessary, by the Audit Committee and the Board to determine if any changes are needed;

- ensures that disciplinary actions, when and if appropriate in the judgment of the Audit Committee, are communicated throughout the Company to inform directors, officers and employees that violations of Company policies are not acceptable; and
- together with the General Counsel of the Company, periodically prepares and submits to the Audit Committee a status report on the Code, including any recommended changes.

In assessing the effectiveness of the Code, the Compliance Officer monitors and evaluates implementation and recommends appropriate revisions to meet the Company's needs in a changing business and regulatory environment. This may include periodically reconvening and drawing upon the expertise of the Audit Committee.

**Please Note:** Neither the Code nor any policy or procedure in it creates any contract or other enforceable right and nothing in the code changes the nature of your employment with the Company (whether at will or pursuant to written agreement). The purpose of the code is to encourage ethical and legal behavior by all directors, officers and employees, and to provide guidance regarding our policies. The Company may change any portion of the Code at any time as set forth in the Code.

#### **D. COMPLIANCE WITH LAW AND REGULATIONS; RELATED POLICIES AND PROCEDURES**

A variety of laws apply to the Company and its operations, and some carry criminal penalties. These laws include, but are not limited to, federal and state laws relating to the Company's business and status as a public company and state laws relating to duties owed by corporate officers and directors. Examples of criminal violations of the law include: making false or misleading disclosures in documents filed with the Securities and Exchange Commission (the "SEC"); trading in securities while in possession of inside information; stealing, embezzling or misapplying the Company's funds; using threats, physical force or other unauthorized means to collect money; or making a payment for an expressed purpose on the Company's behalf to an individual who intends to use it for a different purpose. The Company must and will report all suspected criminal violations to the appropriate authorities for possible prosecution, and will investigate, address and report, as appropriate, non-criminal violations.

##### **Avoidance of Actual, Potential or Apparent Conflicts of Interest**

The Company requires you to conduct your outside associations and personal business, financial and other relationships in a manner that will avoid any actual, potential or apparent conflict of interest between yourself and the Company. The term "outside association" refers to an affiliation, association, interest or employment that you have with an entity other than with the Company. It is impractical to set forth rules that cover all situations in which a conflict of interest may arise. The basic factor in all conflict of interest situations is, however, the division of loyalty or the perception of a division of loyalty, between the Company's best interests and your interests. Directors, officers and employees are prohibited from: taking opportunities for themselves personally that are discovered through the use of Company information or position; using Company property, information or position for personal gain; and competing with the Company. Each director, officer and employee owes a duty to the Company to advance the Company's legitimate interests when the opportunity to do so arises.

In all cases, actual, potential or apparent conflicts of interest must be handled in an ethical manner meaning that they must be fully disclosed and considered prior to being resolved. The Compliance Officer or, where appropriate, the Audit Committee will handle all questions of actual, potential or apparent conflicts of interest that arise. Actual, potential or apparent conflicts of interest may be resolved in a number of ways, including, for instance, in the case of a gift, determining that you may accept or must reject the gift, or in the case of an outside association, determining that you must be restricted from certain corporate activities involving the association, or determining that the Company should not enter into a business relationship with the association.

Guidelines with respect to several sensitive areas in which actual, potential or apparent conflicts of interest are likely to occur are set forth below.

## **1. Business Relationships**

You may have a conflict of interest if you, a member of your family, or any business partner of yours own or has a direct or indirect investment in an entity with which the Company has or is likely to have a business relationship or with which the Company competes. However, investments in stocks or bonds of a publicly held company amounting to less than \$100,000 in value of the outstanding debt or equity of such company should not create a conflict of interest. The questions of when an investment may become so substantial as possibly to affect or appear to affect your judgment is largely dependent on the particular circumstances and must be addressed on a case-by-case basis.

A conflict of interest may also arise when you, a member of your family or your business partner holds a position as director, officer, employee or partner of, or consultant, broker, finder or intermediary with, an entity with which the Company has or is likely to have a business relationship or with which the Company competes or is likely to compete. In addition, a conflict of interest may arise if you, a member of your family or your business partner incurs significant indebtedness to an entity whose business may be affected by your actions on behalf of the Company.

Any associations, interests and business relationships that you have that might cause you to act in ways that are not in the best interests of the Company, or that might be perceived to cause divided loyalties, will be permitted only with the Company's written approval. In some circumstances, a relationship may be permitted if the proposed transaction is competitive and/or fairly bargained for. A transaction between the Company and any of your outside associations will be permitted only if it is first reviewed, approved and reported in the manner prescribed by the Code, or otherwise established by the Audit Committee or the Compliance Officer.

## **2. Acceptance of Gifts**

You may not, without the Company's approval, accept or provide, either directly or indirectly, gifts or favors valued at more than \$75 from persons or entities with which the Company has or is likely to have a business relationship. A "gift" is any tangible item of value, any service of value, or any favor not available to all employees on an equal basis. Examples of gifts include: cash, securities, or other property; expense-free use of an automobile, boat, aircraft, or other property; payment of travel, vacation, or entertainment; free or reduced-cost legal or accounting services or personal financial and tax-planning

services, or payment of other professional fees; special allowances, discounts, or loans; individual club memberships; or furnishing of services for the benefit of an employee or his or her family. Directors, officers and employees cannot provide gifts valued at more than \$75 unless approved by the Company's Chief Executive Officer. Directors, officers and employees should refuse or return gifts valued at more than \$75. When return or refusal of a gift is, in the exercise of a director's, officers' or employee's best judgment, not possible or advisable because doing so would cause undue offense under the circumstances such director, officer or employee must disclose receipt of the gift and seek advice from the Compliance Officer or the chairperson of the Audit Committee, as applicable.

Under certain circumstances the \$75 limit may be exceeded without prior approval. Directors, officers and employees may accept meals from third parties that are ancillary to business meetings and may accept reasonable entertainment from third parties, so long as such entertainment is: (i) customary; (ii) in keeping with the Company's ethical standards; and (iii) is widely offered. For example, if a Company supplier invites a large number of its customers to a conference and offers them the opportunity to participate in a round of golf, it would be permissible to accept the invitation. However, if the same supplier offers to take a Company employee on a hunting trip in Alaska, the employee would be required to decline or to obtain the Company's approval in order to accept the invitation. If you are unsure about any particular entertainment situation, either: (i) decline the invitation, or (ii) ask for guidance from the Compliance Officer or the chairperson of the Audit Committee, as appropriate, before proceeding. Do not take the approach of "asking for forgiveness instead of approval". Such an attitude is contrary to both the letter and the spirit of the Code, and may subject you to disciplinary action.

### **3. Civic/Political Activities**

The Company supports your participation in civic, charitable and political activities so long as such participation does not encroach on the time and attention that you are expected to devote to Company duties and responsibilities. You are to conduct any such activities in a manner that does not involve the Company or its assets or create an appearance of Company involvement or endorsement.

#### **Full, Fair, Accurate and Timely Disclosures by the Company to the Public**

If you participate, directly or indirectly, in the preparation of the financial and other disclosures that the Company makes to the public, including in its filings with the SEC or by press releases, you must, in addition to complying with all applicable laws, rules and regulations, follow these guidelines:

- act honestly, ethically and with integrity;
- comply with the Code;
- endeavor to ensure full, fair, timely, accurate and understandable disclosure in the Company's filings with the SEC;
- If you are a manager, you should, through leadership including communications, make sure that employees of the Company understand the Company's obligations to the public and under the law with respect to its disclosures, including making clear that bolstering the Company's stock price is never more important than compliance with the law and the Company's duty to provide full and fair disclosure;

- encourage directors and employees to raise questions and concerns regarding the Company's public disclosures and ensure that such questions and concerns are appropriately addressed;
- provide the Company's directors, officers, employees, consultants and advisors involved in the preparation of the Company's disclosures to the public with information that is accurate, complete, objective, relevant, timely and understandable;
- act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing your independent judgment to be subordinated by others;
- proactively promote honest and ethical behavior among peers in the work place (directors must proactively promote honest and ethical behavior among members of the Board);
- achieve proper and responsible use of and control over all Company assets and resources employed by or entrusted to you;
- record or participate in the recording of entries in the Company's books and records that are accurate, to the best of your knowledge;
- comply with the Company's disclosure controls and procedures and internal controls and procedures for financial reporting; and
- report in good faith any suspected violations of the Code that you observe, learn of, or reasonably suspect.

### **Antitrust**

Federal and state antitrust laws are intended to preserve and promote fair and open competition, which lies at the foundation of a free enterprise system. While the Company should compete aggressively and creatively, its commitment is to compete in strict compliance with the letter and spirit of all antitrust and trade practice laws. These laws generally forbid: agreements or joint actions between competitors regarding prices, territory allocations, customers or suppliers; agreements or joint actions between a supplier and a customer that restrain or tend to reduce competition; and the conduct of a single firm that is intended illegally to establish or maintain a dominant market position or monopoly. Under the antitrust laws, unlawful agreements need not take the form of a written contract or consist of express commitments or mutual assurances. Courts can infer agreements based on informal discussions or the exchange of information between competitors from which pricing or other collusion could result. Any communication with a competitor's representative, no matter how innocuous it may seem at the time, may later be subject to antitrust scrutiny and form the basis for accusations of improper or illegal conduct.

Directors, officers and employees must conduct all relation with competitors and other third parties, including social activities, as if they were completely in the public view, as those relations may be subject to probing examination and unfavorable interpretation. Directors, officers and employees must always make independent pricing decisions that are in the Company's best interest and are based on factors such as value to the customer, costs, and competitive pressure in the market place. Directors, officers and employees must not exchange sensitive information with competitors, such as prices charged, business or marketing strategies, profit margins, or credit or billing practices.

The Company also must not unjustifiably discriminate in the prices, terms of sale, or advertising or promotional programs and allowances it provides to customers. Because of the complexity of the laws relating to direct and indirect price discrimination, any initiative in the market place which may entail

some degree of discrimination among competing customers should be carefully considered with the Legal Department before implementation.

The above description does not exhaust the reach of the antitrust laws. It does demonstrate, however, that the antitrust laws, which attempt to insure that superior market position is achieved only by superior service and performance, affect nearly every business decision made by directors, officers and employees on the Company's behalf. A violation of the antitrust laws can subject the director, officer or employee involved and the Company to substantial penalties and damages, both criminal and civil. Individual violators of the antitrust laws can be imprisoned for up to three years and fined in excess of \$350,000 per violation. Corporations that violate antitrust laws are subject to criminal penalties in excess of \$10 million per violation. In addition, violators are subject to treble damage awards in civil lawsuits.

### **Discrimination**

The Company is committed to maintaining a work environment characterized by mutual respect and free from discrimination based on race, gender, age, color, ancestry, religion, creed, disability, military status, marital status, national origin, or any other protected status under state and federal law. This policy applies not only to Company directors, officers and employees, but also to applicants, contractors, customers, vendors and others doing business with the Company.

All employment decisions must be made solely on the basis of an individual's merit, qualifications, and abilities. This policy applies to all aspects of employment, including, but not limited to, hiring, training, performance reviews, promotions, discipline, and termination. It applies to all work-related settings and activities, whether inside or outside the workplace, and includes customer sites, business trips and business-related social events. Company equipment, including telephones, e-mail and the Internet, may not be used to engage in conduct that violates this policy. Employees are prohibited from engaging in verbal or physical conduct that denigrates or shows hostility or aversion towards an individual, that creates an intimidating, hostile, humiliating, or offensive working environment, or that unreasonably interferes with an individual's work performance because of his or her race, gender, age, color, ancestry, religion, creed, disability, military status, marital status, national origin, or any other protected status. Such conduct includes using ethnic or racial slurs, negative stereotyping, displaying any materials that may offend a reasonable person, and using e-mail to distribute, displaying any materials that may offend a reasonable person, and using e-mail to distribute any literature or images that may offend fellow employees or the general public.

Any director, officer, employee, applicant for employment, or vendor or other person doing business with the Company who feels that he or she has been a victim of discrimination is strongly encouraged to bring this subject to the attention of his or her supervisor, the Compliance Officer or the chairperson of the Audit Committee, as applicable. The Company will promptly investigate all complaints. If the Company determines that an individual has discriminated against another person, that director, officer or employee will be subject to appropriate discipline, up and including termination and/or removal. Retaliation against any individual who in good faith complains of discrimination will not be tolerated, even if upon investigation the evidence does not support the complaint. Company arrangements with vendors, contractors, or consultants who subject Company personnel to any form of discrimination in the workplace will be subject to termination.

## **Sexual Harassment Prevention**

The Company has long believed in the principle of a harassment-free work environment. Sexual harassment in the workplace is unlawful, and it is also unlawful to retaliate against any employee of the Company for filing a complaint of sexual harassment or for cooperating in the investigation of a complaint. To provide a productive and pleasant work environment, maintaining an atmosphere characterized by mutual respect and courtesy is essential. All forms of harassment on the basis of gender are prohibited and will not be tolerated.

This policy applies to all applicants for employment and directors, officers and employees, whether related to conduct engaged in by fellow directors, officers or employees or by vendors, suppliers, customers, or others who do business with the Company. For the purpose of this policy, “workplace” includes any work-related setting outside the usual workplace, such as during business trips, business meetings, and business-related social events. Sexual harassment is defined, as any type of sexually oriented conduct that is unwelcome or has the purpose or effect of creating a work environment that is hostile or offensive to a reasonable person.

The following are examples of conduct that, depending upon the circumstances, may constitute sexual harassment:

- making unwelcome and unwanted sexual jokes, advances or propositions;
- making unwelcome and unwanted comments about an individual’s body, sexual skills, or deficiencies;
- using abusive language or epithets, whether written or verbal, of a sexual nature;
- using sexually degrading or vulgar words to describe an individual;
- displaying sexually suggestive objects, pictures, posters or cartoons;
- asking questions about another person’s sexual conduct;
- engaging in unwelcome and unwanted touching, whistling, brushing against the body, or suggestive, insulting, or obscene comments with or without gestures; and
- demanding sexual favors in exchange for favorable reviews, assignments, promotions, or continued employment.

If you believe that you have been the subject of sexual harassment or have been subjected to a hostile or offensive work environment, or even if you are not sure whether certain behavior is sexual harassment or whether it is a violation of the policy, you are strongly encouraged to notify your supervisor, the Compliance Officer or the General Counsel of the Company, immediately. The Company will investigate all complaints as quickly as possible.

If the Company determines that a director, officer or employee has harassed another person in the workplace, the harassing individual will be subject to appropriate discipline, up to and including suspension without pay and/or termination of employment, depending upon the circumstances. Further, in order to deter future violations of the policy, the Company reserves the right to disclose the harassing person’s identity and the disciplinary and remedial action taken.

## **Drugs, Weapons and Alcohol**

The Company is committed to providing a workplace free of illegal drugs and weapons for all of our directors, offices and employees, vendors, independent contractors, and guests. In order to provide a safe work environment, and in accordance with federal, state, and local laws and regulations, the possession, manufacture, distribution, dispensing, or use of any controlled substance or weapon on our property or at any Company-sponsored event is strictly prohibited. In addition, alcoholic beverages may not be used on our property except at a Company-sponsored event and at the Company's discretion. Drugs legitimately prescribed by a licensed medical practitioner and used strictly as prescribed are not subject to this policy.

Directors, officers and employees must comply with the following procedures to ensure compliance with the Company's policy with respect to drugs, weapons and alcohol:

- if you believe that any controlled substance (other than legal prescriptions), weapons or alcohol (other than as approved by the Company) were used or brought on Company property or to a Company sponsored event, you should notify your supervisor or the Compliance Officer immediately;
- the Company reserves the right to search or inspect any part of the Company premises or property, including, without limitation, equipment, vehicles, cabinets, desks, and lockers, in order to enforce this policy, and you should have no expectation of privacy in such areas. You may also be asked to submit to an inspection of any personal property you have brought to work such as a purse, briefcase, or coat. Refusal may subject you to disciplinary action, up to and including termination. All inspections will be conducted by at least two authorized persons;
- drug testing may be required when the Company has reason to believe that performance or safety may be affected by drug use. No test will be conducted without your consent, but refusal to consent may result in disciplinary action, up to and including termination. All such tests will comply with applicable state and federal law; and
- any director, officer or employee, independent contractor, vendor, consultant, or guest who violates this policy will be subject to appropriate remedial action, up to and including termination of employment or of the business relationship with the Company. Depending upon the circumstances, the Company may report such violation to the appropriate legal authorities.

## **E-mail, Voice Mail and the Internet**

The Company encourages the use of e-mail and voice mail because these methods of communication are efficient and effective. The Company also encourages the use of the Internet as a valuable source of information about our vendors, distributors, customers, business partners, and competitors. Directors, officers and employees must ensure, however, that e-mail, voice mail and the Internet are used appropriately, understand that messages sent or received and data gathered are not private, compose messages with care, and retain them only as long as necessary.

E-mail, voice mail, and the Internet must be used responsibly and are intended for business purposes only. Although personal use of electronic communication systems is understandable and acceptable when carefully limited, this is a privilege that the Company reserves the right to control and monitor. Under no

circumstances may e-mail, voice mail, or the Internet be used for an illegal or unethical purpose, or for any other purpose that violates the Code or may lead to liability or cause harm to the Company. The Internet, in particular, also may not be used for transmitting, retrieving or storing any communications of an obscene, discriminatory, or harassing nature. The Company retains the sole right to determine whether or not employees are using these methods of communication properly.

All files downloaded from the Internet are subject to the limitation of copyright laws and policy. This means that such files may not be further copied, distributed, or forwarded to anyone except as expressly permitted by the copyright owner or with the approval of the General Counsel of the Company. Each outgoing Internet e-mail message is identified as originating with the Company. As a result, like other official communications, e-mail messages sent via the Internet must represent the Company responsibly.

All telephone and computer equipment and the data, documents, and messages stored on them are the property of the Company. With the General Counsels' approval, the Company has the right to monitor and review any e-mail or voice mail messages created, received, or maintained on Company property. The Company also may exercise its rights to review employee use of the Internet. Directors, officers and employees should have no expectation of privacy in the use of e-mail, voice mail, or the internet when using Company equipment and/or resources. Employees also should be cautious when sending e-mail messages over the Internet because such messages are subject to potential unauthorized interception. Consequently, directors, officers and employees should exercise care in transmitting confidential, proprietary, or sensitive information via the Internet, including non-public Company information or other personal or confidential material.

In addition, voice mail and e-mail messages (including messages sent via internal e-mail system as well as those sent over the Internet) are subject to disclosure to third parties in the course of litigation or investigations. E-mail messages can be recreated even after they are erased, thus even deleted messages may be subject to disclosure.

### **Environmental Compliance**

Directors, officers and employees must conduct the Company's business in a manner that reduces potential adverse environmental impacts, enhances conservation of energy and natural resources, and complies in all respects with applicable laws designed to protect the natural and workplace environment.

Directors, offices and employees must abide by all applicable environmental laws and regulations, and must not authorize, direct, approve, or condone violations of those laws or regulations by any other person. Directors, officers and employees must not knowingly enter any false information on any environmental form, monitoring report, or in response to any request for information from any government agency.

Violation of environmental laws or regulations can have serious consequences for the Company and for the individuals involved. The Company and individual employees may be liable not only for the costs of cleaning up pollution resulting from the Company's activities, but also for significant penalties. Violations of environmental laws can subject the Company to civil penalties of tens of thousands of dollars per day. In egregious situations, very large criminal fines and imprisonment of individual employees also may be imposed. If you learn of or suspect that a violation of any environment laws has

occurred or is likely to occur, you must immediately report the violation to your supervisor, the Compliance Officer or the chairperson of the Audit Committee, as appropriate.

## **Intellectual Property**

Employees must use the Company's copyright, trademarks, patents, and trade secrets in a manner that will safeguard them as assets of the Company, and must not misappropriate or infringe the trade secrets, trademarks, patents, or copyrighted works of others. Federal and state laws govern the use of material and/or information that may be the subject of a trademark or copyright, or which may be treated as a trade secret. The Company owns and uses copyrights, trademarks, and trade secrets. At times it also may have in its possession material that it has purchased or used pursuant to an agreement with a third party (such as audiovisual materials, manuals, or computer software) that may be protected by copyright and/or may be a trade secret of another party. The Company's use of these materials must be in accordance with the terms of any applicable agreement and must comply with the laws regulating the use of such materials.

### *1. Copyright Compliance*

Federal copyright law grants a copyright to the creator of any work of authorship, such as books, articles, magazines, drawings, computer software, and photographs. The copyright law prohibits the unauthorized copying of copyrighted materials except under limited circumstances. A violation of this prohibition can subject both the employees involved and the Company to substantial civil and/or criminal penalties.

Because of our respect for both the law and the rights of others, directors, officers and employees must not reproduce or adapt any copyrighted works without first obtaining permission from the owners of these works, except as permitted by the U.S. Copyright Act. This policy applies to works in all media, including computer software and other electronically encoded materials.

### *2. Trademark Protection*

A trademark is a word, symbol, name, device, or any combination of those things used to identify a product or line of products or services and to distinguish them from the products and services of other companies. The Company owns and uses a variety of trademarks and service marks, both registered and unregistered, to identify its services. These marks are valuable assets, embodying the quality and goodwill that has come to be associated with the Company. Directors, officers and employees must use the Company's trademarks correctly and notify the Compliance Officer or the General Counsel of any unauthorized use of the Company's trademarks by a third party. The General Counsel must approve in advance the use of any of the Company's existing trademarks or service marks in connection with a type of service that is not within the traditional range of the Company's services.

The Company is committed to respecting the trademark rights of others, and to avoiding the use of trademarks confusingly similar to those of other companies. A claim of infringement may arise from the use of a word or design that sounds like or is visually similar to a third party's trademark, particularly where there is similarity in product and/or in the packaging, concept or image of the product.

### 3. *Trade Secrets and proprietary and Confidential Information*

Trade secrets and proprietary and confidential information may consist of any formula, pattern, device, or compilation of information (e.g. customer lists, business plans, or projections) that the Company maintains in secrecy and used to conduct its businesses or gain competitive advantages. The Company has developed its own trade secrets and proprietary and confidential information, and often has access to the trade secrets and proprietary and confidential information of other parties with whom it does business.

Directors, officers and employees must not use trade secrets or proprietary or confidential information for their own purposes or disclose such information to unauthorized employees or third parties such as customers, clients, or outside contractors without prior approval from the Compliance Officer or the General Counsel. Directors, officers and employees also must not use trade secrets or proprietary or confidential information obtained from former employees or other third parties, such as suppliers or customers. Employees should address any questions concerning whether information is a trade secret or confidential to the Compliance Officer or the General Counsel.

### 4. *Patents*

A patent is a governmental grant to an inventor of the right to exclude others from making, using, or selling the patented invention for a limited period of time. The invention can be a machine or a process, such as a software program or a way of manufacturing a product. A patent can be infringed entirely innocently, and even without having access to the potential invention, and the patent owner can prevent a purchaser's or licensee's use of an infringing device or process. When using patented items or new technologies, consult the General Counsel to ensure the Company is not infringing on the intellectual property rights of any third party.

### **Record keeping**

Officers and employees must accurately prepare all Company records to reflect fairly its transactions, revenues, assets, and liabilities, and must maintain and safeguard such records and supporting documentation in accordance with the Company's policies and procedures and applicable legal and accounting requirements.

The law requires the Company to keep books, records and accounts that accurately and fairly reflect all transactions, disposition of assets, and all other events that are the subject of specific regulatory record keeping requirements (such as generally accepted accounting principles, Regulations S-X, and other applicable rules, regulations, and criteria for preparing financial statements). In addition, the Company must maintain records of all its assets and liabilities. Under no circumstances may there be any unrecorded fund or asset of the Company, regardless of the purposes for which the fund or asset may have been intended, or any improper or inaccurate entry knowingly made on the books and records of the Company. This is particularly important in light of SEC-mandated procedures implemented pursuant to the Sarbanes-Oxley Act of 2002.

No payment on behalf of the Company may be approved or made with the intention, understanding, or awareness that any part of the payment is to be used for any purpose other than that described by the documents supporting the payments. All receipts and disbursements must be fully and accurately

described on the books and records of the Company and must be supported by appropriate documentation properly describing the purposes of such disbursements.

Numerous federal and state statutes require the proper retention of many categories of records and documents that are commonly maintained by companies. These statutes apply to records in any form, including e-mail messages, electronic and recorded data, and hard copies of documents. The Company's record retention policies, listing the appropriate retention periods for the types of records created, reflect these legal requirements and the Company's business needs.

In addition to the applicable statutory retention requirements, the existence of pending or threatened litigation, investigations, or subpoenas may require that certain information and records be retained for longer than the law and the Company's record retention policies required. Accordingly, the General Counsel of the Company will issue notices regarding such matters as they arise and will instruct that certain categories of documents not be discarded until the matter is resolved. It is a violation of law to conceal, alter, or destroy records that are subject to a subpoena or may be evidence in a pending or threatened lawsuit or investigation.

Unless the General Counsel of the Company has issued a notice of a pending matter requiring the continued retention of certain documents, all records in any form are to be permanently discarded at the end of the period set forth in the record retention policy applicable to the Company.

### **Safety and OSHA**

The safety and health of our directors, officers and employees is a fundamental concern in the operation of our business. The Company will comply with the Occupational Safety and Health Act ("OSHA"), regulations of the Department of Transportation ("DOT") and other applicable safety requirements and will maintain a safe and healthful working environment. This is an affirmative obligation; it is just as important as retaining records when and as required.

### **Company Property**

Employees must not steal, borrow or misuse Company assets, provide goods or services to any person or entity not in accordance with established Company policy, or retain any personal benefit from any customer, supplier, or other person with whom the Company does business that properly belongs to the Company. Directors, officers and employees of the Company are responsible for protecting Company-owned property and equipment. This extends not only to tangible assets, but also intangible assets such as business plans, trade secrets, and other confidential or proprietary information.

Company property must not be used for any purpose other than for Company business. Directors, officers and employees must not borrow, give away, loan, sell, or otherwise dispose of Company property, regardless of condition, without specific authorization.

### **E. FAIR DEALING**

Each director, officer and employee should deal fairly and in good faith with the Company's customers, suppliers, regulators, and others. No director, officer or employee may take unfair advantage of anyone

through manipulation, misrepresentation, inappropriate threats, fraud, abuse of confidential information, or other related conduct.

Directors, officers and employees must comply with the following procedures to ensure compliance with the Company's policy with respect to fraud and fair dealing:

- directors, officer and employees must endeavor to deal fairly with the Company's customers, suppliers, competitors, and employees;
- directors, officers and employees may not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practices; and
- directors, officers and employees must not knowingly and willfully make or cause to be made oral or written false statements to government officials, or conceal or cause to be concealed material facts called for in a governmental report, application, filing, investigation, or request for information.

## **F. DELEGATION OF AUTHORITY**

Each director and employee, and particularly each of the Company's officers, must exercise due care to ensure that any delegation of authority is reasonable and appropriate in scope, and includes appropriate and continuous monitoring. No authority may be delegated to employees whom the Company has reason to believe, through the exercise of reasonable diligence, may have a propensity to engage in illegal activities. Delegation of authority is regulated by the Company's Organization Regulations and Management Authority Guidelines.

## **G. HANDLING CONFIDENTIAL INFORMATION**

Directors, officers and employees should observe the confidential information that they acquire by virtue of their positions at the Company, including information concerning customers, supplies, competitors, and other directors, officers and employees, except where disclosure is approved by the Company or otherwise legally mandated. The phrase "confidential information" cannot be precisely defined, but you should treat as confidential all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. Of special sensitivity is financial information, which should under all circumstances be considered confidential except where its disclosure is approved by the Company or when it has been publicly available in a periodic or special report for at least two business days, or otherwise widely publicly disseminated. Other examples of confidential information include, but are not limited to, information concerning our practices and procedures, plans, pending acquisitions and divestitures, projected earnings, strategies, and prices, and our relationships with employees, customers, and others that could be useful to a competitor and is not in the public domain or readily available from a public source.

Information provided to the Company in confidence by its customers and others should be accorded the same protection as our own confidential information. Confidential information of our employees' prior employers and others who have entrusted their employees with confidential information must also be respected. Accordingly, no such information may be used or disclosed by the Company unless the Compliance Officer authorizes the use or disclosure.

An area of special concern is information of a personal nature provided to the Company by its employees, particularly medical information, which will be maintained by Human Resources and disclosed only on a need-to-know basis and in compliance with law. In addition, performance review information must be treated as strictly confidential. You may not discuss personal or private information of any employee or officer gained as a result of your position with the Company.

## **H. PROHIBITED CONDUCT**

The following conduct is prohibited and will not be tolerated by the Company. This list of prohibited conduct is illustrative only and is not limited to only that identified below. Other types of conduct injurious to security, personal safety, employee welfare and the Company's operations also may be prohibited. Violation of this policy is cause for corrective action, up to and including immediate termination.

- falsification of employment records, employment information, payroll records;
- recording the work time of another employee or allowing any other employee to record your work time, or allowing falsification of any time sheet, either your own or another employee's;
- dishonesty;
- deliberate or careless damage, or destruction of any Company property or the property of any employee or customer;
- provoking a fight or fighting during working hours or on Company property;
- engaging in criminal conduct whether or not related to job performance;
- causing, creating or participating in a disruption of any kind during working hours on Company property;
- insubordination, including but not limited to failure or refusal to obey the orders or instructions of a supervisor or member of management, or the use of abusive or threatening language toward a supervisor or member of management;
- failure to notify a supervisor when unable to report for work;
- unreported absence of two consecutive scheduled workdays;
- failure to obtain permission to leave work for any reason during normal working hours;
- failure to observe working schedules, including rest and lunch periods;
- failure to provide a physician's certificate when requested or required to do so;
- sleeping or malingering on the job;
- making or accepting excessive personal telephone calls or excessive use of the e-mail system or the Internet during working hours, except in cases of emergency or extreme circumstances;
- working overtime without authorization or refusing to work assigned overtime;
- wearing extreme, unprofessional or inappropriate styles of dress or hair while working;
- violation of any safety, health, or security policy, rule or procedure;
- committing a fraudulent act or a breach of trust under any circumstances; and
- Refusal or failure to cooperate in a Company investigation, including investigations by outside professionals working on behalf of the Company.

This statement of prohibited conduct does not alter the Company's policy of at-will employment.

Either you or the Company remains free to terminate the employment relationship at any time, with or without reason or advance notice, subject to any employment agreement that may be in effect.

## **I. OFF DUTY CONDUCT**

While the Company does not seek to interfere with the off-duty and personal conduct of its directors, officers and employees, certain types of off-duty conduct may interfere with the Company's legitimate business interests. For this reason, directors, officers and employees are expected to conduct their personal affairs in a manner that does not adversely affect the Company's or their own integrity, reputation or credibility. Illegal off duty conduct that adversely affects the Company's legitimate business interests or your ability to perform your job will not be tolerated.

While an officer or employee of the Company, individuals are expected to devote their energies to their jobs with the Company. The following types of outside employment are prohibited:

- employment that conflicts with your work schedule, duties and responsibilities;
- employment that creates a conflict of interest or is incompatible with your employment or position with the Company;
- employment that impairs or has a detrimental effect on work performance with the Company; and
- employment that requires the officer or employee to conduct work or related activities on the Company's property during the Company's working hours or using the Company's facilities and/or equipment.

Officers are prohibited from taking part in any outside employment without the Company's prior approval. Employees who wish to engage in outside employment that may create a real or apparent conflict of interest must submit a written request to the Company explaining the details of the outside employment. If the outside employment is authorized, the Company assumes no responsibility for the outside employment. The Company shall not provide workers' compensation coverage or any other benefit for injuries occurring from or arising out of outside employment. Authorization to engage in outside employment may be revoked at any time.