

## **American Innovations Code of Conduct**

To Our Team:

We only get one reputation in this life, and there's nothing worth losing your honor. Those are not just empty words. The first thing we try to tell every new employee is something like "never do anything at AI that you wouldn't tell your mother about". No matter what the reason, if you are uncomfortable in a situation: stop, ask questions and think – make sure you are comfortable before going forward.

What we haven't done until now is to write down more about the types of situations you may encounter, and what we want you to be thinking about as you face them. Our hope is that this is a useful guide that you can easily refer back to from time to time to make sure you know what it means to be 'true to your mom'.

Our attorneys didn't write this manual for us. Our board of directors didn't force us to have one. And while this might seem a little big company for us, this is a serious subject that deserves a serious and professional tone. We did, however, borrow shamelessly from a number of big companies, because they did a lot of really good thinking about the subject, and it helped us get further along faster than if we'd have started with a blank sheet of paper.

As with everything else in our business, if you don't understand something, please ask. If you see something missing, tell us. If you see a better way to communicate this, suggest it. We never cease to be amazed at the talent we've drawn into our business family, and we are stronger because we are together, and we are relentless in our struggle to be better tomorrow than we are today.

Sincerely,

Ed and our Board

## **OUR PURPOSE**

**We help customers protect people & the environment by safely & efficiently managing oil & gas infrastructure.** We deliver reliable products and services to help our customers accurately & efficiently gather, organize & assess data, comply with regulations & make good operating decisions.

## **OUR VALUE**

1. We believe in honest & ethical behavior. We seek truth & face up to challenges. We do not hide failure or assign blame.
2. We trust employees to make meaningful decisions & employees want the responsibility & freedom that comes with trust & accountability.
3. How we treat others will define our true success. We genuinely care about our customers, employees, suppliers and communities.

4. We are driven by a passion to serve our customers. We serve others before ourselves. Leadership is a responsibility, not a perk.
5. We are continuously striving to get better. We will not fail each other or the customer. We pursue our goals relentlessly.

### **OUR POLICIES IN A NUTSHELL**

Please recall from our Employee Handbook that our policies can be summarized as:

- Do the right thing for the customer, your co-workers, the shareholders & our communities.
- Don't ever do anything for AI that you're not comfortable telling your mom about.
- Treat others like you want to be treated.
- Don't do anything stupid, unless you know why you're doing it.
- Be engaged, be an owner, ask questions, take charge of yourself, your career, your happiness, and our dream of a wonderful workplace.

As you read this Code, remember the Golden Rule, and remember everything your mom told you.

### **SELECTED MUSINGS FROM OUR VALUES...**

TRUTH means MORE than having integrity & ethical behavior. It is a given that we will not condone cheating and lying. Many companies have "integrity" or "honesty" in their values. A group of people without a basic sense of honor cannot possibly build anything positive. In our business, Truth means a lot more than just being trustworthy.

"Trust is crucial; it's the foundation of all relationships. Putting our trust in others tells them we think they are trustworthy. It suggests that we have faith in their character and competence. Trust is a prerequisite to ownership because it strengthens self-confidence."

- Nuts, the story of Southwest Airlines

We believe people are inherently good – our people are skilled adults who want to do their best to deliver quality results. Before coming to AI, I worked for big companies. I learned a lot and I respect what those companies built and how well they were run. However, I couldn't get that Bob Seeger lyric out of my head: "...feel like just a number, like a spoke in a great big wheel, like a tiny blade of grass in a great big field". I vowed that if I got the chance, I'd trust the people that I worked with. I'd find people who wanted to make meaningful decisions – people who wanted that responsibility and the freedom that goes with it.

How you play the game really does matter. None of us is going to be around forever. When you look back on your life, how do you want to be remembered? As a decent person who worked hard for a great cause and helped others, or as someone who only cared about winning and personal success. I don't know about you, but I want to work with good people who accept, respect and help each other, and not with people who are selfish, closed-minded and mean.

Truth means not assuming that some higher power knows about everything that is wrong – it means having the courage to expose problems, being comfortable with the Truth, not leaving responsibility for exposing and addressing potential issues to “management.”

So that’s the deal here – that’s the implicit agreement we have. The people we want here want responsibility, they want to be trusted, they want to act like owners. And we trust them to do so, we support them and we help them succeed. We give them freedom to act. That means leadership needs to Trust people, and it means each person upholds that Trust. It also means that we need each and every person to be a guardian for that trust and raise issues.

## **APPLICABILITY**

This Code applies to all directors, officers, employees and temporary employees ("colleagues") in all divisions and companies that are part of American Innovations. We also hold our agents, subcontractors and suppliers to high standards of integrity by requiring them to comply with relevant aspects of our policies. No colleague may use a third party to do something prohibited by this Code. Colleagues who violate the law, this Code or our policy are subject to disciplinary action in accordance with local laws and internal procedures.

## **“THREATS” = POTENTIAL PROBLEM AREAS**

We will inevitably face difficult situations in our work. Under the heading of THREATS, most of the sections of this Code list temptations, pressures or "red flags." In the pipeline world, we assess risk of failure in part by identifying threats to the integrity of the pipeline. In here, THREATS are examples of things to be aware of and should alert you to the potential problems inherent in the choices you are facing; they should signal the need to speak up or seek guidance from a manager, HR, or anyone on our leadership team. Examples of general THREATS to our integrity include:

- Temptations to compromise integrity for sales, compensation or recognition
- Pressures to get things done before knowing the risks involved or what is required by the law, this Code, our policies or our clients’ policies
- Excuses for sacrificing integrity, such as "our competitors do it;" or “my manager does it”
- Assuming that management already knows about an issue or that "someone else" will fix it
- A feeling that your manager or anyone else is coercing or forcing you to do something

## **INCREASING YOUR UNDERSTANDING WITH Q&A**

Throughout this Code we will provide example questions and answers to help improve your understanding of what we mean. Of course, we can’t present every question that may come up or answer every question to your complete satisfaction in this document, and we encourage you to ask if there is anything you don’t get.

## **SPEAKING UP WITHOUT RETALIATION**

You and your colleagues are certain to encounter difficult choices from time to time, and everyone makes mistakes. At AI, we believe in Truth and Trust; we believe in making mistakes, owning up to them

and learning from them. We believe in being comfortable with the truth, and dealing with issues head-on. Do not hesitate to raise concerns or seek help. Your actions help all of us retain and build trust.

We encourage you to raise issues with your manager, HR or our CEO/Presidents. Don't hesitate! You're not bothering us – that's why we are here – to be there for you when something is bothering you and to help work through a resolution. There's nothing more important to us than ensuring your physical and emotional safety, and safeguarding all of our reputations.

If you wish, you may remain anonymous and raise issues using our confidential email system. For instructions, please see HR or the latest version of our Employee Handbook.

We will not tolerate retaliation of any kind against someone who raises an issue in good faith. Examples of retaliation include termination, pay reduction, negative change in job responsibilities, intimidation or any other material change in your conditions of employment. If you feel you have been retaliated against, raise the issue immediately.

A colleague who makes an allegation that he or she believes to be false is in violation of our values and is subject to disciplinary action. Please also realize that reporting a concern does not relieve you of accountability for your own misconduct; however, it does show courage, a desire to atone and a degree of honor for coming forward.

### **INCREASING YOUR UNDERSTANDING**

1. My manager recently notified me that something I was doing was in violation of this Code. I had no idea I was doing something wrong. Can I be held accountable even though I was unaware?
2. Yes. You are a trusted adult. You are expected to read, understand and follow the principles in this Code and all of our policies. Whenever you encounter something that seems unclear or difficult to carry out, it is your responsibility to ask for help. Own up to your mistake, and improve.
3. I believe a colleague is doing something in violation of this Code, but I'm reluctant to say anything because my colleague and my manager are friends. I'm also worried I will be branded an "informer". What should I do?
4. You have a duty to speak up when you are aware of a violation of our values or this Code. Our reputation, and yours, is more important than being labeled. Our stakeholders have a right to expect that we will manage our business ethically. There may be times when it would be appropriate to raise the concern with someone other than your manager. You can report your issue to HR, senior leadership or anonymously – but please have the courage to raise the issue. And remember that we will not tolerate retaliation in any form against a colleague who speaks up in good faith.

### **SPECIAL NOTE TO OUR LEADERS**

*Leaders have additional responsibilities.* Lead by example. Hold yourself to the highest standards of conduct and make those standards clear to those who report to you. Create an atmosphere that encourages open and honest communication. Understand the risks inherent in your work and give effective guidance when needed. Look out for your people and help them through difficult situations.

## **AS A LEADER, MAKE SURE YOU:**

- Communicate the letter and spirit of this Code and our values to those who report to you
- Make sure those who report to you are trained in our policies and procedures
- Take an active role in assuring the quality of our work and in the fairness and honesty of communications with clients, colleagues and other partners
- Use adherence to this Code, our policies and general decency as a factor when you evaluate and recommend compensation for those who report to you
- Make it clear that your door is always open to report a mistake or conflict of interest, raise a concern or discuss a difficult business choice. At the same time, make it clear that they are free to report concerns through other channels as well.
- Respond quickly and effectively to concerns colleagues raise
- Take prompt remedial action when mistakes or misconduct are discovered
- Notify HR and senior leadership when you encounter a potential violation
- Assist with appropriate disclosure to clients or other partners when mistakes occur or when conflicts of interest arise - after consulting with senior leadership.

## **THREATS**

- Letting friendship get in the way of doing what's right for the business
- Trying to keep issues within your group and restricting the ability to raise an issue

## **INCREASING YOUR UNDERSTANDING**

1. My supervisor says that we should always bring our concerns directly to her and has suggested she will "make problems" for anyone who reports "over her head." Is that OK?
2. No. She is in violation of our policies if she is trying to prevent you from using other reporting channels. While it is often best to raise an issue with your supervisor first, you may sometimes be unable to do so, or believe doing so is not appropriate. If your supervisor disciplines you, assigns you unpleasant work, or otherwise treats you differently because you chose to report through another channel, then she may be in violation of our policy and you should report it.
3. If I observe misconduct in an area that is not within my responsibility, should I raise a concern?
4. Yes. Leaders, even more than other colleagues, must speak up if they have a concern about any work-related behavior that may be a violation. All colleagues, including managers, may raise concerns with their managers at any level, with HR or anonymously.

## **INDEX: WHAT YOU WILL FIND IN THIS BOOKLET**

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## **EARNING OUR CUSTOMERS' TRUST**

### **WE TREAT CUSTOMERS FAIRLY**

We are honest and professional. We treat clients fairly. We work to understand and meet our customers' business needs, while always remaining true to our own ethical standards. We tell the truth about our services, capabilities and compensation. We do not make promises we cannot keep. We respect our customers (individuals and companies) – we do not badmouth or complain about them. In short, we treat our customers as we would want to be treated.

### **MAKE SURE YOU:**

- Treat each customer fairly, honestly and with respect
- Document the terms of customer relationships and engagements to ensure both parties clearly understand responsibilities and provide a record of our actions
- Deliver highly reliable products and services – don't release anything before it's ready

- Promptly raise any concern you have about potential errors, omissions, missed deadlines or defects in quality – first to your manager, then escalate if you are not satisfied
- Immediately report actual or potential legal claims, law suits and errors to the CEO/President
- Never follow a customer request to do something unethical or unlawful - if you are at all uncertain of the right course, consult HR or the President/CEO

#### THREATS

- Any request from a customer or colleague for an arrangement that is not clearly legal or that could harm our reputation or that you feel is unfair to AI or the customer
- Any request by customer for an arrangement that personally benefits an individual at the expense of the company
- Pressures from colleagues or managers to cut corners on quality or delivery standards
- Temptations to tell customers what you think they want to hear rather than the truth; if a situation is unclear, present a fair and accurate picture, and if you are at all unsure of what to say, talk to your manager or anyone on the leadership team
- Comments from customers that may be considered offensive or disrespectful to others
- Complaining about a customer's lack of understanding or mistakes – remember that everyone makes silly mistakes and treat all customers with respect

#### INCREASING YOUR UNDERSTANDING

1. One of my clients is asking me to go way outside the scope of our engagement agreement. They're a very important client, and I want to keep them happy. What should I do?
2. Significant changes in the scope of work should be documented and approved by the client (and your manager and/or Sales). If you feel that the requests are for something illegal or inappropriate, you must not help, even if it "keeps the client happy." If you have any doubt, discuss it with your manager or anyone on the leadership team.
3. I'm on a tight deadline preparing a report for a client. I've reviewed most of the report and it seems fine. Can I just assume the rest of it is good so I have a chance of meeting the deadline?
4. Your reputation and ours are tied to everything we deliver. Failing to reasonably ensure the information you are providing puts our reputation and yours on the line. Ask yourself if you would be satisfied with the level of quality assurance if you were relying on the information.
5. I just realized that I made an error in billing my time to a client. It's a minor error, given the scope of the project and it will make us look bad if I point it out. Can I just adjust future billings?
6. You should notify your manager, Accounting and the client and agree how to correct the error. This is the right thing to do and may in fact build trust with the client because of your honesty. Even if the error is big, you should own up to it and help us figure out how to make it right.

7. One of my colleagues is always talking about how stupid the customer is. He fields a lot of complaints, and usually blames the customer for the problem. What should I do?
8. Remind him that our customers pay our salaries, benefits and all of our bills. Help him understand that our products and services are complex, and the customer certainly won't know as much about them as he does. If you can't help him develop a healthy respect for our customers, you should tell your manager or HR.
9. We're getting a lot of pressure from Sales to release a new product. I don't think it's ready because it still has bugs, but management is pressuring us. Isn't this against our policy?
10. There is a fine line between pushing the team to get the job done and pushing them so hard we release something we're not proud of. It's virtually impossible to release a product without any known issues, and history shows we will find more once it is in the market. However, we can't release something before it is ready. That can be hard to decide or define. In short, we want everyone to be proud of everything we deliver, and for the customer to be delighted. If you feel that we released something that falls short because of pressure, tell the President or CEO.

#### WE PROTECT CUSTOMERS' CONFIDENTIALITY

Customers place their trust in us. In the course of prospecting business or providing solutions to our customers, we are routinely provided with confidential, proprietary, non-public and/or trade secret information that is required in order for us to do what we need to do. We safeguard customer information carefully and securely, so that it is not improperly disclosed or used.

#### MAKE SURE YOU:

- Understand and adhere to the law, our policy and customer agreements on the use, protection and retention of information from or about customers
- Understand that some information must be given heightened protection (such as personally identifiable information, social security numbers and bank account numbers) and protect them through appropriate means (such as encryption or other limited access)
- Before responding, immediately notify the President/CEO if a law enforcement, regulatory authority or any other person outside of AI requests customer information
- Only share customer information within AI with colleagues that have a need to know
- Protect information by being careful about where information is handled and stored and travel only with encrypted laptops and password-protected portable devices
- Don't work with sensitive customer information while traveling if others around you can see what you are working on
- Realize that business with any government requires special considerations – make sure you get additional training if you are working on a government project
- Immediately report all incidents involving the suspected or actual loss, theft, unauthorized disclosure or inappropriate use of customer information

## THREATS

- Requests by customers for information about other customers
- Unintentional exposure of customer information in public settings such as on phone calls or while working on your laptop
- Telling your colleagues things about customers that they have no business knowing (resist the temptation to build your own status at the expense of our integrity)

## INCREASING YOUR UNDERSTANDING

1. My client has asked me for information about one of her competitors, who happens to be another client of ours. What should I tell her?
2. Politely but firmly say we cannot discuss anything about one client with another client. Beware of the temptation to discuss things you believe are widely known. You may think you are doing a favor for that client and in fact end up damaging our relationship because you violated a trust.
3. One of my coworkers left highly confidential information about one of our clients on her desk while she was in a meeting. This isn't the first time she's done that. What should I do?
4. You should talk to her about it and ask her to be more careful about our clients' information and you should talk with your manager about it so we are aware of this issue.

## WE COMPETE ETHICALLY

AI is committed to competing hard and fairly by providing superior products and services - not by engaging in improper or anti-competitive practices. We comply with all laws related to competition, antitrust and obtaining competitive information.

## MAKE SURE YOU:

- Do not use confidential information of a competitor that is obtained improperly
- Do not engage in anti-competitive behavior including:
  - Collusion – when companies secretly communicate or agree on how they will compete and may include agreements or exchanges of information on pricing, terms, wages or allocations of customers or market segments
  - Bid-rigging – when competitors manipulate bidding to limit fair competition and may include comparing bids, agreeing not to bid, or knowingly submitting noncompetitive bids
  - Tying – when a company with market power forces customers to take products or services they do not want or need for fear of not being able to get the products they want
  - Predatory pricing – when a company with market power sells a product or service below cost to eliminate or harm a competitor

## THREATS

- Engaging in discussions with competitors about any competitively sensitive matter, including the compensation we receive or other terms of how we do business
  - Sharing confidential or sensitive information with a competitor, including customer information, or information about another competitor received in confidence
  - Using or disseminating confidential information about competitors from new hires or candidates that worked for a competitor
  - Participation in a trade, industry or professional group that becomes a forum for reaching unlawful agreements or improperly exchanging competitively sensitive information.
1. An acquaintance at a competitor just phoned me to ask that I meet him for drinks to discuss "opportunities to support each other." Is it OK for me to go, if I go just to listen?
  2. Before agreeing to meet, you should talk to the President/CEO, who can give you guidance on subject areas to avoid. While competitors sometimes cooperate in ways that are legal, you need to be aware of potential pitfalls.
  3. I used to work for a competitor. My team members have asked me to brief them on my former company's proposal strategies. Is that OK?
  4. If the proposal strategies are not a matter of public record, you may be improperly divulging confidential proprietary information. In order to understand what you can and cannot discuss, talk to the President/CEO. We expect that former employees would not divulge our confidential information to a competitor, and we won't ask our employees to do that.

## WE DO NOT BRIBE OR CHEAT TO WIN BUSINESS

Improper influence may take many forms. Cash, gifts, meals, entertainment, loans, charitable or political contributions or offers of employment may all be used inappropriately in attempts to influence business decisions. We do not bribe or use any other means to improperly influence the decisions of customers or government officials - either directly or through a third party. We do not bribe even if it is considered a generally accepted practice in a given area, or when competitors do so, or for any other reason. No sale is worth risking our reputation.

## MAKE SURE YOU:

- Do not give, offer or promise anything of value to a customer or government official unless it is legal, reasonable, and free of any intent or understanding or appearance that it could influence a business decision or government action
- Monitor the actions of any third parties that work with us to gain business and be on the lookout for inappropriate actions of third parties on behalf of AI
- Speak up whenever you see that a colleague, third party or other agent of AI may be engaged in any attempt to improperly influence a decision of a customer or government official

- Never record a transaction in a way that disguises its true nature, such as booking the cost of entertaining a customer as a "consulting fee" or a "training expense"

#### THREATS

- Requests for payments in cash or to a country or a party unrelated to a transaction
- Third parties or agents who are valuable for their personal ties rather than for their services or who request compensation out of proportion to the value of their services
- Requests to engage third parties or agents without a written contract, or customers that require us to engage specific third parties
- Customer requests for favors, such as job interviews or charitable donations
- Entertainment or meals that could be seen as lavish or inappropriate

#### INCREASING YOUR UNDERSTANDING

1. We are considering the use of a consultant to help us open up a new market in a particular country. The agent is asking for a few thousand Euros to ensure that all the proper officials think highly of us. He says this is the way business is done in his country. Should I agree?
2. No. It is clear the agent intends to make improper payments that violate our policies and probably the law. You cannot allow this to occur, and you cannot turn a blind eye simply because the improper acts would be done by an agent rather than by you or a colleague.
3. I have sent a visa application to an embassy, but it has been there for a long time and I now need to travel to that country. I have been told that the embassy may expedite my application if I pay one of its employees a modest amount. Can I go ahead with such payment?
4. No, because in this case the payment is to an individual, not the embassy. This is a "facilitating" payment, which is not acceptable and is illegal in most countries. If there is an expediting fee that is a standard fee charged by the embassy, not to an individual employee, it might be acceptable to pay. Check first with the President/CEO.

#### EARNING OUR COLLEAGUES' TRUST

##### WE PROVIDE A SAFE & HEALTHY WORKPLACE

AI is committed to providing a safe and healthy workplace for colleagues and visitors to our facilities. Nothing you can do for AI is worth a risk to your safety, or the safety of your colleagues. Each of us is responsible for behaving in a way that protects ourselves and others.

##### MAKE SURE YOU:

- Observe the safety, security and health rules and practices that apply to your job
- Have the proper safety training and equipment for your job
- Immediately address serious risks to safety and security

- Immediately report risks to safety and security and any workplace accident or injury to a HR, safety officer or any member of the leadership team
- Be aware of your surroundings – in and out of the office
- Never sell, possess or use illegal drugs in the workplace or on Company business
- Do not come to work or conduct Company business while intoxicated or under the influence of illegal drugs or alcohol

#### THREATS

- Unsafe practices or work conditions, such as using handheld devices while driving, or driving without your seat belt fastened
- Lax enforcement of security standards, such as facility entry and password protocols
- Undertaking a task at work without ensuring you have the proper safety training & equipment
- Rushing to get work done instead of carefully considering the risks at hand

#### INCREASING YOUR UNDERSTANDING

1. I think a colleague has been coming to work drunk. What should I do?
2. The best thing that you can do for everyone, including your coworker, is to report your concern to your supervisor or HR. This can be a safety issue for the colleague and those around them and also an issue of performance, quality and reputation.
3. I had a close call the other day. Nobody else was around to see what happened. It scared me, but I don't want to report it because I'll get in trouble. I think I fixed it so it won't happen again.
4. Have the courage to report the incident. You might have been too close to the situation to see all of the ramifications, and really keep this from happening again to someone else. We all make mistakes – own up to yours, and think of the others that you might save from an accident.

#### WE TREAT OTHERS WITH RESPECT

We treat others as we would want to be treated. AI is committed to maintaining an inclusive, equal opportunity work environment that respects the dignity of all colleagues and business partners regardless of background and personal characteristics. The unique contribution of every colleague is fundamental to driving the overall success of AI. We must feel free to disagree with each other, regardless of position or title, as long as we do it civilly and respectfully.

#### MAKE SURE YOU:

- Treat others respectfully and professionally
- Promote diversity in hiring and other employment decisions; do not discriminate against a colleague or candidate; do not harass a colleague; remember that sexual harassment includes sexual advances, inappropriate references to sex or conduct of a sexual nature
- Do not verbally abuse, threaten, taunt, intimidate or bully a colleague

## THREATS

- Comments, jokes or sexually explicit materials that others might consider offensive
- Raised voices, foul language or tears usually indicate a lack of respect or civility
- Complaining about a colleague or manager without having the courage to raise such issues directly with that person

## INCREASING YOUR UNDERSTANDING

1. One of my coworkers sends emails containing jokes that make fun of certain nationalities. They make me uncomfortable, but no one else has spoken up about them. What should I do?
2. You should speak up immediately to your manager or HR. Sending such jokes may violate our policies about harassment and the use of email. By doing nothing you could be condoning discrimination and helping destroy the environment that we have worked hard to create.
3. While on a business trip, a colleague repeatedly asked me out for drinks and commented several times on my appearance in a way that disturbed me. Is it harassment?
4. This type of conduct is not tolerated in any work-related situation, whether you are in the office or away on a business trip. You should report the problem to HR. If you feel comfortable doing so, you should tell your colleague that you find his or her actions inappropriate and unwelcome.
5. Report the threat immediately to your supervisor or HR. When safety is at issue, err on the side of caution, and remember that this type of behavior erodes the culture we want to create.

## WE PROTECT COLLEAGUES' PRIVACY

Colleagues place their trust in AI and each other. We safeguard our colleagues' confidential information including information we collect and process for HR, recruiting, payroll, training, managing performance, administering benefits and providing occupational health and safety.

## MAKE SURE YOU:

- Understand and adhere to the law and our policy on the use, protection and retention of information about colleagues
- Learn about the types of information given heightened protection by the law and our policy (such as personally identifiable information, social security numbers and bank account numbers) and protect them through appropriate means (such as encryption or other types of limited access)
- Immediately inform HR or the CEO/President if a law enforcement or regulatory authority or any other person outside of AI requests colleague information
- Immediately report any loss or inadvertent disclosure of colleague information to a manager

## THREATS

- Unintentional exposure of confidential colleague information in public settings, such as during phone calls or while working on your laptop
- Spreading information to colleagues that you would be uncomfortable sharing about yourself
- Leaving sensitive information on copiers, printers or in conference rooms

#### INCREASING YOUR UNDERSTANDING

1. My best friend happens to work in our payroll department and has access to employee information. I'm planning a party and would like to send invitations to the homes of several coworkers. Can I ask her to get me their addresses?
2. No. This is a breach of privacy and could result in disciplinary action for both you and your friend. You should look up the addresses on the internet or ask the coworkers directly.

#### WE TAKE OUR VALUES SERIOUSLY

Our values are more than just 'words on a wall'. Our values are our moral compass, they help guide our everyday decisions, and they form the basis of our workplace culture. Management can only help define the norms – it is up to each and every individual at AI to live our values and ensure they are genuine.

#### MAKE SURE YOU:

- Understand our values – you can view a one-page explanation on our website, and see “More About” each value in our Training folder, or take a deeper dive into each value in our Leadership Handbook
- Use our values in your daily life at AI and in your decision-making process
- Confused or have questions – ask HR!
- If you see colleagues acting in conflict with our values, point it out to them; if you see our leadership or our business acting in conflict with our values, ask HR or the CEO/President

#### THREATS

- As we grow and add new people, we do not train them on our values
- You see the business or colleagues acting in conflict with our values without questioning it
- We choose the 'easy way' instead of standing up for our values

#### INCREASING YOUR UNDERSTANDING

1. A customer asked me to do something that compromises our values of Trust and Truth. They said it was really important, and there was a big sale tied to my decision. We also have a value of Service to the customer, so if I agree then I'm not really violating our values?
2. Yes you are. Our values are not mutually exclusive – they live together as one unit. Violating one value but upholding another is still violating our values and doing the wrong thing. In addition, while we value our customers, that is only one of our stakeholders, and we will not tolerate

customers that treat our employees poorly. You should talk with your manager and HR about this situation and escalate it appropriately to make sure it is handled correctly.

## **EARNING OUR STAKEHOLDERS' TRUST**

### **WE ARE TRANSPARENT ABOUT POTENTIAL CONFLICTS OF INTEREST**

Each of us owes a duty of loyalty to AI and its stakeholders (its employees, customers, suppliers, shareholders and communities). We must avoid or disclose conflicts of interest between AI and ourselves to avoid any impropriety, misunderstanding or unintentional harm to our stakeholders.

#### **MAKE SURE YOU:**

- Avoid conflicts of interest whenever possible and, if you find yourself facing a potential conflict of interest, disclose it to your manager or HR
- Do not accept any outside employment or leadership positions without prior approval; do not do outside work that would interfere with your work or that might embarrass AI
- Do not pursue business opportunities for yourself that could be appropriate for AI
- Do not work for a supplier or customer outside of work, or allow a supplier or contractor to do work for you individually

#### **THREATS**

- Proposing a close friend or relative as an employee, supplier or contractor, without disclosing the relationship
- Proposing a company in which you have a financial interest as a supplier or contractor without disclosing the relationship
- Allowing a supplier or contractor to do work for you, whether paid or unpaid

#### **INCREASING YOUR UNDERSTANDING**

1. My college roommate was just promoted to vice president at one of our suppliers, and he's offered to fly me to Monte Carlo for a weekend at his company's expense to "catch up" and maybe talk about the relationship between our companies. May I accept?
2. No. The lavish nature of the entertainment at a minimum creates the appearance of a personal benefit to you, which could be perceived as biasing your judgement in favor of the supplier.
3. My wife runs a consulting firm. Can she submit a proposal to work for AI?
4. She is welcome to submit a proposal. To be sure to avoid any conflict of interest, you should disclose this relationship to your manager, refer the request to Purchasing and refrain from participating in this matter. The most important action with any potential conflict of interest is to disclose it so it can be properly managed.

#### **WE DON'T ACCEPT OR GIVE IMPROPER GIFTS**

We do not allow gifts or favors to create improper influence. In the right circumstances, a modest gift may be a thoughtful "thank you," or a meal may be an appropriate setting for a business discussion that strengthens a relationship. When not used with care, however, gifts and other favors may create improper influence (or the appearance of improper influence), violate policy (AI's and customers') and may even be violations of the law.

#### MAKE SURE YOU:

- Do not allow a gift to influence the decisions you make for AI including accepting gifts from customers in exchange for lower pricing, accepting gifts from suppliers to award business, or giving lavish gifts to try to win business or influence decisions
- Do not give or accept any gift or entertainment unless it is legal, reasonable, and free of any intent or appearance that it will influence a business decision
- Do not give, promise or offer any gift or entertainment to a government official
- Understand our customers' gift acceptance policies and abide by them

#### THREATS

- Gifts, entertainment or other favors that are lavish – if you would be embarrassed to tell your mother or HR about it, then it's probably not right
- Situations that could embarrass you or AI including entertainment at sexually oriented establishments – don't do anything you wouldn't tell your spouse or kids about
- Clients that appear to be privately held but are actually considered government entities

#### INCREASING YOUR UNDERSTANDING

1. A supplier invited me to a charitable golf tournament and my manager approved my attendance. At the event, I won a set of clubs valued at \$2,000 in a door-prize raffle. It is OK to accept them?
2. Unfortunately for you, no. A prize received in a contest or a raffle is a gift. A \$2,000 gift is extravagant and accepting it would violate our policy. Thank the supplier sincerely and explain that AI does not allow you to accept.
3. I've developed a close relationship with one of my clients. At holiday time, I would like to send him a gift basket including a few bottles of good wine. Is that OK?
4. Maybe. First check your customer's Code of Conduct – many of our customers prohibit employees from receiving gifts. If it passes the customer test, make sure it complies with our policy that any gift must be less than \$250 in value, legal, reasonable and free of even the appearance of influence. If you are in doubt, ask the President/CEO.

#### WE TAKE CARE OF COMPANY ASSETS & INFORMATION

We are entrusted with Company assets and are personally responsible for protecting them and using them with care. AI assets include funds, facilities, equipment, Information systems, intellectual property and confidential information.

#### MAKE SURE YOU:

- Use AI's money as if it were your own – make wise spending decisions, including the use of Company money while you are traveling on business or entertaining clients
- Sparingly make personal use of AI assets, including its information systems, and use them according to our policies, with care and consideration
- Use and disclose confidential information only for legitimate business purposes and properly label such information to indicate how it should be handled
- Store or communicate Company information only in or through our information systems
- Do not use our PCs or information systems to handle content that others might find offensive
- Respect the copyrights, trademarks and license agreements of others when dealing with printed or electronic materials, software or other media content

#### THREATS

- Shared passwords or the use of unapproved software
- Company assets left unsecured when not in use
- Actions could introduce viruses or breach firewalls of our information systems
- Discussing confidential information within earshot of unauthorized persons or transmissions of confidential information to unattended fax machines or printers
- Lavish spending of AI funds

#### INCREASING YOUR UNDERSTANDING

1. I was attending a meeting with several colleagues at a hotel. At lunchtime, they all left their laptops in an unsecured conference room. I was nervous about it, but I did it too. Was this OK?
2. No. The laptops and the information in them are AI assets that should be protected. You and your colleagues should have taken additional steps to protect the laptops, such as locking the conference room or bringing your laptops with you to lunch.
3. I got a call from a person claiming to be a representative of one of our business partners who asked if I could send him some details on a project I'm working on. What should I do?
4. You should confirm that the person requesting the information is who he says he is and that he is authorized to obtain the information. If you are able to confirm this, make sure that each page of the document is clearly marked as "Confidential" if it contains non-public information.
5. I was traveling with a colleague and he took me out to a really expensive dinner. He said it was okay because we had worked really hard to secure a big deal and we deserved it. Was it OK?

6. No. Your colleague is not spending our money appropriately and he should be reprimanded. Tell your manager and HR about this – his misuse of our money hurts our business and is wrong.

#### WE MAINTAIN ACCURATE RECORDS & GOOD CONTROLS

We need complete and accurate business records to fulfill our responsibilities to shareholders, customers, suppliers, regulators and others. Business records include travel and entertainment records, emails, memos, presentations, reports and accounting records. Our records must be honest, complete, fair and accurate and we must maintain them in good order. And we need to have good process and controls to limit potential abuse.

#### MAKE SURE YOU:

- Create business records that accurately reflect the truth of the underlying transaction
- Write carefully and clearly in all your business communications (including email) and write with the understanding that someday everything you write may become public records
- Only sign documents, forms or contracts that you have carefully reviewed, are authorized to sign and believe are accurate and truthful
- Retain, protect and dispose of records according to our policies and recognize that some records may be subject to additional protections – ask if you have any doubts
- Report any process ‘hole’ that you think could cause an issue or result in abuse

#### THREATS

- Estimates or assumptions that are reported as facts - If you include estimates or assumptions, ensure they are properly supported by appropriate documentation
- Exaggeration, derogatory language and other expressions that could be taken out of context
- Communications related to your work on blogs or social networking sites may be considered business records and subject to AI policies or legal requirements
- Destroying, discarding, altering, misfiling or hiding records, whether in paper or electronic form, that may be subject to requirements that they be preserved

#### INCREASING YOUR UNDERSTANDING

1. A salesperson wants me to record a sale before we shipped the product. He says the customer is fine with it because they need it before the budget year is up. Is that OK?
2. No. Even though we are a private company, we follow many of the same accounting practices, and we don't ever want to record transactions that are not according to Generally Accepted Accounting Principles (“GAAP”). There may be a good way to make the sale to the customer and still stay within the rules, so talk to the VP of Finance about this.
3. I have a bunch of old email and files that I want to get rid of. Do I have to ask permission?

4. Talk to your manager to make sure there isn't anything that we need to keep as a matter of record. You don't have to talk about each email and file – you are just looking to make sure we don't destroy something that the team may need later.

## **EARNING OUR COMMUNITIES' TRUST**

### **WE GIVE BACK**

We are committed to the communities in which we operate and where our colleagues live and work. We demonstrate our corporate social responsibility through charitable contributions, volunteering and partnerships with organizations whose programs and services help communities and people at risk. In order to maximize the impact of our charitable efforts, and to make sure the money we spend makes a real difference for the common good, the Company has processes for proposing and approving charitable contributions and solicitations.

### **MAKE SURE YOU:**

- Remember that we have a fund that is used to help match your donations – ask our Community Service Officer (CSO) action group for help
- Remember that our CSO and CEO manage all charitable giving for AI including requests from customers
- Talk to your manager before volunteering so the team knows about your commitments, and don't let your charitable activities interfere too much with your work
- Participate when we do a team building event for charity
- Find a cause you believe in, and give your time, talent & treasure to make the world better

### **THREATS**

- Strong requests from customers that want us to donate to a cause that is dear to them
- Offers from suppliers to make donations to your favorite charities
- Getting so wrapped up in volunteer activities that you forget your responsibilities to AI

### **INCREASING YOUR UNDERSTANDING**

1. A colleague who reports to me runs a small non-profit in addition to her responsibilities for AI. I've noticed she often uses AI resources to help her charity. Is that acceptable?
2. As a supervisor, you have a number of responsibilities in this situation. First, you should make sure your colleague has had her position with the non-profit approved. Second, you should speak up if your colleague's outside responsibilities are interfering with her ability to fulfill her responsibilities to AI. Third, you should remind your colleague to avoid any suggestion that AI endorses her non-profit. Finally, you should remind your colleague to keep her personal use of AI assets to a minimum, even if it is for a good cause.
3. A customer that I work with told me he has to help his company raise money for the CEO's charity and is counting on AI to help him. What should I do?

4. Tell your manager, and ask the CSO for help. This happens more often that you might think. While we want to support worthy causes and we love to help our customers, we can't give to everyone. The CSO, VP of Marketing and CEO can help you with a response.

#### WE ARE ENVIRONMENTALLY RESPONSIBLE

We recognize our responsibility to conduct business in a way that protects and improves the environment for future generations. We are committed to working with our customers and suppliers to strengthen environmental stewardship and responsibility.

#### MAKE SURE YOU:

- Do your part to reduce your use of energy, including turning off equipment when not in use
- Minimize your use of office products by using only what is necessary, including minimize printing and other use of paper
- Recycle materials whenever possible
- Suggest positive environmental actions or practices or join our Tree Frogs action group

#### THREATS

- Business practices that pose an environmental hazard or unnecessary use of resources
- Being in too much of a hurry to think about our environment

#### INCREASING YOUR UNDERSTANDING

1. I have an idea for how we can be more environmentally responsible. It might take a little time and money upfront, but it should save money longer term. What should I do?
2. Talk to HR and/or someone on the Tree Frogs action group. They can help you define the costs and benefits, and work with you to make a pitch for support, and help you execute your idea. And if it works out, maybe you'll join this action group and make other ideas happen.

#### WE COMMUNICATE HONESTLY AND PROFESSIONALLY WITH THE PUBLIC

We are committed to honest, professional and legal communications to our stakeholders and the public. We take care in all our communications, internal or external, formal or informal. We are careful about how we portray AI publicly to avoid confusion in our communities (including our customers, markets, suppliers and the areas in which we do business or where our employees live).

#### MAKE SURE YOU:

- Follow our policies access to external electronic forums and social networking sites
- Do not speak to the media on issues involving AI without prior authorization
- Refer any inquiries from investors or financial analysts to the CEO
- Receive approval from the VP of Marketing before making public speeches, or writing articles for professional journals and other public communication when you are identified with AI

- Get approval from HR or the President/CEO before distributing any communication intended for a broad employee audience

#### THREATS

- Any suggestion that you speak for AI in your personal communications, including in emails, blogs, message boards and social networking sites
- Temptations to use your title or affiliation outside your work (such as in charitable or community work) without making it clear that you are not representing AI
- Conversations with reporters who ask you for information about AI without first consulting the VP of Marketing, President, or CEO

#### INCREASING YOUR UNDERSTANDING

1. A friend of mine says that I could get into trouble for posting things about AI on my Facebook page. Only my "friends" see my posts, so I don't think it's an issue. Who's right?
2. Your friend is correct. Facebook is a public site, even if your personal page is not, and information that could affect public perceptions about AI can be passed quickly and easily from friends to others. Please exercise caution when posting to blogs or social networking sites.
3. A reporter called and asked me questions about AI like who owned us, how many employees we have and what our sales are. I know not to answer those kinds of questions, but who should I refer him to because he keeps calling me?
4. Thank you for not answering those questions! And refer any reporters, or any outside inquiries that you aren't sure about, to the VP of Marketing or the President/CEO.

#### WE COMPLY WITH LAWS, RULES & REGULATIONS

We follow the law – in writing and in spirit. We do our best to understand the many laws, rules and regulations and ensure that we remain in compliance. When we know about a violation, we report it internally first, and externally if necessary – we don't hide violations.

#### MAKE SURE YOU:

- Follow our policies about non-discrimination & equal opportunity in our practices including in our hiring and compensation
- Report any instances you see regarding violation of child labor or forced labor including human trafficking, whether by the company, a supplier or a customer
- Respect collective bargaining rights and not restrict workers from developing alternative mechanisms to express grievances
- Make all reasonable efforts to understand all laws, rules and regulations that pertain to your job, follow them, and report any violations

#### THREATS

- Temptations to obtain lower cost raw materials from places that engage in child labor, forced labor or environmental health and safety laxity
- Fear of reporting violations causes colleagues to hide issues
- Frequent changes in laws, rules and regulations makes it practically impossible to know when you are in violation

#### INCREASING YOUR UNDERSTANDING

1. I realized that one of our products is not performing to the letter of the regulations governing its use. It's a small and obscure rule that has little to do with product performance or cost. Can I just ignore the issue and move on?
2. You need to discuss this with your manager and make sure that he or she knows about the issue. If you feel that your manager is brushing it off without consideration, you should escalate the issue to ensure we are aware of the situation and take reasonable steps to correct it.