



I. Introduction

A. General Policy and Procedures

The reputation of MERKSON, Inc., and its subsidiaries (“MERKSON” or the “Company”) is based on the conduct, integrity and abilities of our colleagues. The Company expects all of its colleagues to share its commitment to high ethical and legal standards and to avoid any activities that could involve the Company or its colleagues in any real or perceived unethical, improper, or unlawful act. As used in this policy, the terms “colleague” and “employee” shall refer to all colleagues (including all employees of the Company), as well as the officers and, as applicable, directors of the Company, unless otherwise indicated. Careful review of this policy will provide colleagues with a better understanding of the Company’s expectations and of colleagues’ own obligations. Compliance with this policy is mandatory and it is the duty of all colleagues to familiarize themselves with the policy as well as the legal standards and policies specifically applicable to their assigned duties and to conduct themselves accordingly. Compliance with this policy will be a factor in each employee’s performance review. Violations of this policy are subject to discipline, up to and including termination of employment.

B. Additional Requirements

The policy is not intended to be an exclusive set of guidelines or requirements governing the conduct of colleagues. The Company has adopted and may amend or adopt other corporate policies, procedures, personnel manuals or employee handbooks that also proscribe or specify conduct. Moreover, no single policy or set of policies can ever be totally comprehensive or serve as a substitute for the good judgment, common sense and proper, ethical and legal conduct we expect of all colleagues.

This policy does, however, supersede the Code of Business Ethics and Conduct section of the Employee Handbook. It also reinforces and adds to the requirements for conduct by colleagues set forth in other MERKSON policies. To the extent that anything in this policy is in conflict with the provisions of these other sources, the provisions of this policy will govern. Collectively, this and other policies of conduct may be referred to as the policy or code of conduct at MERKSON.

II. Compliance with Laws and Ethical Business Conduct

Recognition of the public interest is a permanent commitment of the Company in the conduct of its business. The activities of the Company must always be in compliance with all applicable laws, statutes, and regulations.

Colleagues occupy positions of trust and confidence. In discharging their responsibilities, each employee has a duty to serve the Company, in good faith, in a manner that he or she reasonably believes to be in the best interests of the Company and its stockholders and with such care as an ordinary prudent person in a like position would use under similar circumstances. Colleagues also have duties of candor, care and loyalty to the Company. These duties include, but are not limited to, the duty to make a reasonable inquiry where the circumstances require such inquiry; the duty to disclose all material information relevant to



corporate decisions from which that person may derive, directly or indirectly, a personal or other benefit; the duty to deal openly with and make full disclosure to the Company; the duty to avoid and disclose any activities which could create, or appear to create, a conflict with the interests of the Company, as discussed in Section III; the duty not to exploit one's positions with the Company by improperly converting money or other property which lawfully belong to the Company; and the duty to act with integrity, fidelity, and high standards of conduct.

III. Conflicts of Interest

A. General

Except as provided elsewhere in this policy, or to the extent a right to do so is protected by law, colleagues must avoid employment or business activities, including personal investments, that interfere with their duties to the Company, divide their loyalty, or create or appear to create a conflict of interest, unless such employment or activities are fully disclosed to the Company and approved by written consent.

It is not possible to provide a precise, comprehensive definition of a conflict of interest. However, one factor that is common to all conflict of interest situations is the possibility that a person's actions or decisions may be affected or have the appearance of being affected because of an actual or potential divergence between the interests of the Company and some other interest, including that person's own personal interests. Conflicts of interest also arise when a colleague, officer or director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, such persons are of special concern. A particular activity or situation may be found to involve a conflict of interest even though it does not result in any financial loss to the Company and irrespective of the motivations of the person involved. Other factors to be considered in determining whether a conflict of interest exists include:

- whether it may interfere with the employee's job performance, responsibilities or morale;
- whether the employee has access to confidential information;
- whether it may interfere with the job performance, responsibilities or morale of others within the organization;
- any potential adverse or beneficial impact on our business;
- any potential adverse or beneficial impact on our relationships with our customers or suppliers or other service providers;
- whether it would enhance or support a competitor's position;
- the extent to which it would result in financial or other benefit (direct or indirect) to the employee;
- the extent to which it would result in financial or other benefit (direct or indirect) to one of our customers, suppliers or other service providers; and



- the extent to which it would appear improper to an outside observer.

The facts of each case will determine whether the interest in question involves an actual or potential conflict. A person shall promptly report any situation or transaction involving an actual or potential conflict of interest to his or her supervisor, Corporate HR and the Corporate Compliance Officer.

B. Business or Investment Opportunities

If colleagues learn of a business or investment opportunity through the use of corporate property or information or their position at the Company, such as from a competitor or actual or potential client, supplier or business associate of the Company, they may not participate in the opportunity or make the investment without the prior written approval of the Corporate Compliance Officer. Such an opportunity should be considered an investment opportunity first and foremost for the Company.

Just as colleagues owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises, colleagues are also prohibited from (i) using Company property, information, or position for personal gain; and (ii) directly or indirectly competing with the Company in any capacity, including, as a contractor, employee, director, officer, shareholder, partner, or sole proprietor of a competing concern. Nothing in this policy prohibits investment in the securities of any corporation whose securities are publicly traded on a national securities exchange or regularly reported in over-the-counter quotations, where the number of shares owned by a colleague is less than two percent (2%) of all outstanding shares. However, any such investment is prohibited and will violate the U.S. Securities and Exchange Commission regulations if the colleague invests while in possession of material, nonpublic information regarding such company. This information would, for example, include knowledge about the Company's investments in, or relations or negotiations with, such corporation, if such information has not been generally released to the investing public.

C. Interest in Companies Transacting Business with MERKSON

It is the policy of the Company to select suppliers and others on the basis of merit, without favoritism. As such, this policy requires that colleagues avoid any relationship or activity that may directly or indirectly impair their independence or judgment. The Company recognizes that from time to time it may transact business with a company in which a colleague, a colleague's spouse or children ("Immediate Family") have an interest or are employed. The Company also recognizes, however, that this could present a conflict of interest, or the appearance of one, if the colleague did not disclose the relationship or if he or she participated in the approval process. Therefore, whenever the Company does or considers doing business with a company, or independent contractor, in which a colleague or member of a colleague's Immediate Family is employed or has a material financial or other interest, the colleague must: (i) disclose the interest to his or her supervisor, and (ii) refrain from participating in the review process. The actions listed here are in addition to any additional actions required by the Company's Related-Person Transaction Policy.

A conflict of interest may also arise where a colleague or a member of his or her Immediate Family makes an investment in a company that does business or competes with the Company. If a colleague or a member of his or her Immediate Family is considering an investment in a company that does business, is being considered to do business with, or competes with the Company, the colleague should disclose the proposed investment in advance to his or her supervisor and seek approval for it. If such approval is



obtained, the colleague shall comply with any conditions of the approval and shall not participate in any decision regarding the selection of or purchase from such entity.

This section does not prohibit investment in the securities of any corporation whose securities are regularly traded on a national securities exchange or regularly reported in over-the-counter quotations, where (a) the number of shares owned by a colleague is less than two percent (2%) of all outstanding shares, and (b) the investment complies with the Company's Policy Against Trading on the Basis of Inside Information. Any such investment is prohibited and will violate the policy, and U.S. Securities and Exchange Commission regulations, if the colleague invests while in possession of material, non-public information regarding such company. This information would, for example, include knowledge about the Company's investments in, or relations or negotiations with, such corporation, if such information has not been generally released to the investing public.

The receipt of gifts, loans, favors, or other gratuities from a company that is doing business with MERKSON is further addressed in Section V.

D. Employment of Relatives

To avoid conflicts of interest and promote stability and goodwill in the workplace, the Company does not ordinarily hire or transfer relatives into positions where they supervise or are supervised by another close family member. The Company also generally avoids placing them in positions where they work with or have access to sensitive information about family members. The same general considerations apply if two colleagues marry or become involved in a domestic partner relationship. If a supervisory, security, morale, safety, or other conflict results from the relationship, the Company reserves the right to use its full discretion to address these concerns. One of the colleagues may be transferred—or, if necessary, discharged from employment—to resolve the situation, for example. By relatives, the Company means Immediate Family and parents, legal guardians, siblings, grandparents, grandchildren, and current inlaws, as well as significant others and domestic partners. There may be other considerations or restrictions based on job requirements and situations specific to the Company.

E. Outside Employment

The Company recognizes and encourages the participation of colleagues in religious, charitable, educational, and civic activities.

Generally speaking, the Company discourages for-profit employment by colleagues in other business ventures, unless it is clear that such employment poses no potential conflict with employment by the Company. If a colleague wishes to engage in activities as an employee, general partner, consultant, agent or trustee of a business or a for profit organization, the colleague must disclose the proposed relationship to the Corporate Compliance Officer and seek prior approval. Such approval may be granted if the proposed employment or activities do not interfere with the performance of the colleague's duties and do not involve a conflict of interest with the Company. Should a colleague be approved for outside employment, the colleague should not engage in solicitation of customers, customers' colleagues or internal colleagues of the Company.



IV. Fair Dealing

The Company depends on its reputation for quality, service and integrity. The way we deal with our customers, competitors, and suppliers molds our reputation, builds long-term trust and ultimately determines our success. Colleagues should endeavor to deal fairly with the Company's customers, suppliers, competitors and each other. Colleagues must never take unfair advantage of others through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. If information is obtained by mistake that may constitute a trade secret or other confidential information of another business, or if a colleague has any questions about the legality of proposed information gathering, he or she must consult his or her supervisor or the Corporate Compliance Officer. However, colleagues should remember that their first duty in this regard is to the Company, and accordingly, any disclosure of any confidential information, including pricing or negotiating information, without the prior approval of the Corporate Compliance Officer shall be subject to discipline, up to and including termination of employment, and such other legal remedies as may be available to the Company.

Antitrust laws are designed to protect the competitive process. These laws are based on the premise that the public interest is best served by vigorous competition and will suffer from illegal agreements or collusion among competitors. Antitrust laws generally prohibit:

- agreements, formal or informal, with competitors that harm competition or customers, including price fixing and allocations of customers, territories or contracts;
- agreements, formal or informal, that establish or fix the price at which a customer may resell a product; and
- the acquisition or maintenance of a monopoly or attempted monopoly through anticompetitive conduct.

Certain kinds of information, such as pricing, should not be exchanged with competitors, regardless of how innocent or casual the exchange may be and regardless of the setting, whether business or social. Antitrust laws impose severe penalties for certain types of violations, including criminal penalties and potential fines and damages of millions of dollars, which may be tripled under certain circumstances. Understanding the requirements of antitrust and unfair competition laws of the various jurisdictions where we do business can be difficult, and colleagues are urged to seek assistance from their supervisors or the Corporate Compliance Officer when facing a question relating to these laws.

V. Use of the Company Funds or Other Resources

The Company's funds, assets, services of Company personnel and other resources of the Company (collectively, "Resources") are to be utilized solely for the benefit of the Company and only for legitimate business purposes. The Company's policy is to prohibit the use of such Resources for any purpose other than for the benefit of the Company, unless otherwise approved in advance in accordance with the prescribed procedures, and to prohibit any questionable or unethical disposition or use thereof. Colleagues should protect the Company's assets and ensure their efficient use.



A colleague who has access to Company funds must follow the prescribed procedures for recording, handling and protecting money as detailed in the Company's manuals or other written policy documentation. Where a colleague's position requires spending of Company funds or incurring any personal expenses to be later reimbursed by the Company, it is the individual's responsibility to use good judgment on the Company's behalf and to ensure that good value is received for every expenditure, and to follow all Company policies and procedures relating to authorization and approval for such expenditures. Company funds should only be used for Company purposes and must not be used for personal benefit.

A. Personal Use of the Company Funds or Other Resources

Without the prior permission of the Company as set forth herein or in a Company manual or written policy, no colleague is permitted to appropriate or authorize any other person or entity to appropriate for their use any Company Resources. Misappropriation of any Company Resource is theft and, in addition to subjecting a person to possible criminal and civil penalties, may result in immediate termination of employment or other disciplinary action.

B. Payments and Gifts

The Company's Resources must not be directly or indirectly used for any unlawful or unethical purpose.

1. Payments and Gifts to Government Officials

No colleague may authorize or participate in any payment or gift of any of the Company's Resources to any governmental agency (other than payments in the ordinary course of business) or official for any purpose unless approved by the Corporate Compliance Officer in writing in advance. It is never permissible to make any payment or gift for the purpose of inducing or influencing the recipient or another person to improperly grant special consideration to or forego any claim against the Company (except as part of a proper settlement agreement approved by the Legal Department).

The Company's colleagues are expected to comply with the applicable laws in all countries to which they travel, in which they operate and where we otherwise do business, including laws prohibiting bribery, corruption or the conduct of business with specified individuals, companies or countries. The fact that, in some countries, certain laws are not enforced or that violation of those laws is not subject to public criticism will not be accepted as an excuse for noncompliance. In addition, we expect employees to comply with U.S. laws, rules and regulations governing the conduct of business by its citizens and corporations outside the U.S. Colleagues should seek assistance before taking any action, including giving any verbal assurances that might be regulated by international laws if there is any question as to whether an activity is restricted or prohibited.

2. Payments and Gifts to Others

Colleagues should avoid all circumstances in which providing a gift or entertainment could present or create the appearance of a conflict of interest or improper, unethical or illegal conduct. To avoid such circumstances, colleagues may give incidental gifts, favors and entertainment of nominal value to others on behalf of the Company only if they are consistent with accepted business practice, are of sufficiently limited value and in a form that will not be construed as an improper payment. No gift or entertainment is permitted if it



violates any applicable laws or ethical standards. Gifts, favors or entertainment of less than substantial value will generally be permitted, although the facts and circumstances of each case need to be considered and, if in doubt, approval should be sought from the Corporate Compliance Officer. In all cases involving gifts, entertainment or favors of substantial value, approval of the Corporate Compliance Officer must be obtained in advance.

VII. Political Contributions

There are three basic tenets of the Company's policy with respect to political contributions: First, the Company unequivocally forbids the illegal use of Company Resources for the support of political parties or political candidates for any office (federal, state or local) in the United States or any foreign country. Second, the Company forbids pressure, direct or implied, that infringes upon the right of colleagues to decide whether, to whom, and in what amount they will make a political contribution or render services to individual candidates or political committees where permitted by applicable laws. Colleagues are free, and indeed are encouraged, to endorse, advocate, contribute to, or otherwise support any political party, candidate or cause they may choose. Third, any permitted Company political contributions must be approved by the Corporate Compliance Officer.

VIII. Corporate Records

A. Record Keeping

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents and in all other public communications made by the Company. Accurate and complete record keeping is essential to the corporate well-being of the Company and to enable it to comply with legal and regulatory requirements, to manage the affairs of the Company and to provide the best possible service to its customers. The Company adheres to a strict policy of maintaining complete and accurate books and records including, but not limited to, memoranda, expense reports, accounts, contracts, financial reports and other business or corporate records. The Company's books and records must reflect, in an accurate and timely manner, all business transactions. Undisclosed or unrecorded funds, other assets, or liabilities are not permitted. All persons are expected and required to prepare, preserve and produce all books and records in accordance with this policy, and with the separately published record retention policy referenced below in subsection B. In order to protect the privacy of Company officers and colleagues and comply with federal and state law, colleagues must ensure that all records containing medical or personal data about colleagues are kept confidential and only disclosed as authorized. Furthermore, medical information about officers and colleagues and all documents used to verify work eligibility, such as I-9 Forms, should be kept in files which are separate from those that contain general personnel information.

B. Record Retention



The Company has specific requirements for retaining various categories of records generated by the Company as set forth in the Company's *Business Record Retention Policy*, available on the Intranet. Accordingly, the Company must retain all records that have any bearing on threatened or pending litigation, investigations, or administrative proceedings.

Officers and colleagues who are notified of the existence of a subpoena or have reason to believe that a government investigation is imminent or that legal proceedings may be instituted must retain all potentially relevant records in their possession, custody, or control, including papers, computer disks, and tapes, until they have been notified otherwise by the Chief Legal Officer. Also, managers must ensure that colleagues under their supervision retain all such records in their possession, custody, or control. (Subpoena obligations are discussed further in Section X below.)

X. Media, Regulatory, Legal and Other Inquiries

A. General

As a general matter, no colleague is permitted to disclose to any non-colleague any non-public information about the Company except in accordance with this policy or other applicable Company policies.

B. Conduct Regarding Media Inquiries

When a determination is made in accordance with the procedures set forth herein to respond to media inquiries, it is the Company's policy to fully and fairly convey accurate information to members of the news media. However, it is also the Company's policy to protect and safeguard its confidential information. Therefore, in order to preserve and maintain the integrity of communications, no colleague, other than the Chief Executive Officer and those designated from time to time as spokespersons by the Company may discuss matters involving the Company or its affiliates, colleagues, stockholders, creditors, consultants, counsel, accountants and agents with any member of the news media.

It is imperative that all colleagues follow this policy and not respond to media inquiries unless authorized in accordance with this policy even when the question appears to relate to objective facts within the knowledge of the person contacted.

C. Requests From or Visits by Regulatory Authorities

From time to time, the Company and its colleagues may be contacted by regulatory officials or other governmental agencies, regarding the Company's filings or other matters. It is the Company's policy to comply with applicable laws and regulations and to respond properly to all contacts, inquiries or requests made by governmental authorities. Colleagues who have received prior approval to do so from the Chief Legal Officer may respond to routine contacts and inquiries from regulatory officials or other government agencies if they concern routine matters within the ordinary scope of their day-to-day responsibilities. Colleagues should keep their supervisors informed as to the nature and scope of such contacts. All contacts, inquiries or requests, whether written or oral, by governmental authorities regarding matters that are not routine or are outside the scope of a colleague's day-to-day responsibilities should be immediately reported to the colleague's supervisor and the Chief Legal Officer before a substantive response is given.



This will allow the Company to gather and evaluate any relevant information and to respond properly to the governmental authorities. Examples of matters that are not routine include, among other things, complaints, adverse claims, investigations, litigation, audits, regulatory exams, or other matters that could result in significant monetary or other liabilities.

D. Investigations

Officers and colleagues are required to cooperate fully with all investigations by the Corporate Compliance Officer, an authorized member of the Legal Department, the Company's outside legal counsel or an authorized member of Internal Audit or of the Corporate Human Resources Department. In particular, they are required to respond truthfully, completely, and promptly to all inquiries.

E. Subpoenas or Other Legal Process

Only an authorized representative may accept legal process on behalf of the Company. If someone attempts to serve any person on behalf of the Company who is not an authorized representative, such person must decline to accept service and should immediately contact the Chief Legal Officer, Corporate Secretary or their designee. Service of a subpoena on an individual, the subject matter of which relates directly to the Company or its colleagues, should immediately be referred to the attention of the Chief Legal Officer, Corporate Secretary, or their designee.

XI. Disciplinary Action and Violations of the Policy

Violations of this policy will be grounds for discharge or other disciplinary action, based on the circumstances of the particular violation. Disciplinary action will be taken, not only against individuals who authorize or participate directly in a violation of the policy, but also against any of the violator's management, to the extent that the circumstances of the violation reflect inadequate supervision by the superior. Compliance with this policy will be a key factor in the evaluation of the individual's overall performance.

If any colleague believes that he or she has been retaliated against in the form of an adverse personnel action for disclosing information regarding misconduct under this policy, he or she may file a written complaint or a report to the Company's ethics service requesting an appropriate remedy. It is the Company policy to encourage colleagues to come forward with any safety, ethical, or legal concerns. Retaliation against those who bring forward these types of related concerns or complaints will not be tolerated.

XII. Application/Waivers

All officers and other colleagues of the Company, as well as individuals working as independent contractors, whether regular or temporary, full or part time, are subject to this policy. Directors of the Company who are not colleagues of the Company are subject to this policy to the extent the Board of Directors adopts the policy and subject to any additional or different requirements duly adopted by the Board of Directors.

The Company will waive application of the obligations set forth in this policy only where circumstances warrant granting a waiver, and then only in conjunction with any appropriate monitoring of the particular



situation. Waivers of the policy for colleagues must be approved by the Corporate Compliance Officer. Any waiver for the Corporate Compliance Officer must be approved by the Chief Executive Officer. Waivers of the policy for directors may be made only in accordance with the procedures established by the Board of Directors and must be promptly disclosed as required by law or regulation.

The policy is a statement of policies for individual and business conduct and does not, in any way, constitute an employment contract or an assurance of continued employment. Colleagues of the Company are employed at-will, except when covered by an express, written employment agreement providing otherwise. This means that colleagues may choose to resign his or her employment at any time, for any reason or for no reason. Similarly, the Company may choose to terminate a colleagues' employment at any time, for any legal reason or for no reason at all, but not for an unlawful reason.

The policy is not intended to and does not create any obligations to or rights in any colleague, director, customer, supplier, competitor, shareholder or any other person or entity.