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## *Phillips & Jordan Code of Ethical Conduct*

### *I. Statement of Policy*

It is Phillips & Jordan's (some times referred to as "P&J" or the "Company") policy to maintain the highest ethical standards and comply with all applicable laws, rules, and regulations. We believe that adherence to this policy will ensure our continued success as well as earn and maintain the confidence of our customers and the community in which we live. In order to ensure P&J operates pursuant to this policy, we have established this Code of Ethical Conduct. The following general rules apply to the implementation of this Code of Ethical Conduct:

1. All employees must comply with this Code of Conduct. Any officer, director, or employee violating this Code is subject to discipline, which may include demotion or dismissal.
2. All employees have a duty to report all suspected violations of the Code or other potentially unethical behavior by anyone, including officers, directors, employees, agents, customers, subcontractors, suppliers, and prime contractors, to the Corporate Compliance Officer.
3. Employees in management positions are personally accountable for their own conduct and the conduct of those reporting to them. Each management employee is expected to inform those reporting to them about this Code of Conduct and take all necessary steps to ensure compliance with this Code.
4. No employee has the authority to direct, participate in, approve, or tolerate any violation of this Code by anyone.
5. Any employee who has questions about the application of this Code should consult with the designated Corporate Compliance Officer.

## **II. Definitions**

*Code of Ethical Conduct:* The written statement of acceptable behavior by P&J's officers, directors, and employees that ensures P&J operates according to the highest ethical standards.

*Code:* The Code of Ethical Conduct.

*Corporate Compliance Officer:* The company official designated by the President to be responsible for implementing and administering the Code of Ethical Conduct. In the case where there is no Corporate Compliance Officer, or the Corporate Compliance Officer is not available, the Company President will be responsible for implementing and administering the Code of Ethical Conduct.

*Corporate Compliance Program:* The procedures and policies used by P&J that are designed to ensure that all officers, directors, and employees are aware of the Code of Ethical Conduct and adhere to its standards. The Corporate Compliance Program is implemented and administered by the Corporate Compliance Officer.

*Employee:* Any person employed by P&J, including employees, foremen, managers, officers, directors, and persons authorized to act on behalf of the Company.

*Program:* Corporate Compliance Program.

## **III. Standards of Conduct**

### **A. Equal Employment and Nondiscrimination**

The continued success of our company is dependant upon employing the most qualified people and establishing a work environment that is free of discrimination, harassment, intimidation or coercion related to race, color, religion, sex, age, physical or mental disability, status as a Vietnam-era or special disabled veteran, or status in any other group protected by federal, state or local law, ordinance or regulation. This policy extends to all phases of employment, including hiring, placement, promotion, transfer, compensation, benefits, training and the use of facilities. P&J is committed to complying with all applicable laws related to equal employment opportunities and to ensure that there is no unlawful discrimination by any officer, director, or employee. P&J is committed to a work environment in which everyone is treated with respect, trust, honesty, fairness, and dignity.

#### **Your Responsibilities:**

- **Do not treat** any employee differently because of his or her race, color, religion, sex, age, physical or mental disability, status as a Vietnam-era or special disabled veteran, or status in any other group protected by federal, state or local law, ordinance or regulation.

- **Promptly notify** the Corporate Compliance Officer or your human resources representative of any violation of this policy, regardless of whether the offending person is a manager, supervisor or fellow employee.
- **Create** an atmosphere free of any suggestion of discrimination.
- **Do not** make or tolerate jokes, comments or remarks based on a person's race, color, religion, sex, age, physical or mental disability, status as a Vietnam-era or special disabled veteran, or status in any other group protected by federal, state or local law, ordinance or regulation.

## **B. Harassment**

P&J does not tolerate harassment of its employees on the basis of race, color, religion, sex, age, physical or mental disability, status as a Vietnam-era or special disabled veteran, or status in any other group protected by federal, state or local law, ordinance or regulation. Every employee of P&J is entitled to be treated with respect and to be free from any conduct that is offensive, hostile or intimidating. Harassment violates an individual's fundamental rights and personal dignity.

P&J will not tolerate sexual advances, actions, comments or any other conduct that creates an intimidating or otherwise offensive work environment. Similarly, the use of racial and religious slurs, or any other conduct that breeds a hostile work environment, will not be tolerated. Complaints of harassment are investigated immediately and handled as confidentially as possible. Violations of this policy, including acts of retaliation against those who complain about such conduct (or against those who assist in an investigation arising from such complaints) will not be permitted and will result in disciplinary action, including possible discharge.

### **Your Responsibilities:**

- **Never participate in or tolerate** harassment, whether verbal, visual or physical.
- **Report** all incidents of harassment immediately to your supervisor, the Corporate Compliance Officer or your human resources representative.

## **C. Gifts and Entertainment**

### **1. Bribery and Kickbacks**

All forms of bribery and kickbacks are illegal and expressly prohibited. "Kickback," means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, for the purpose of improperly obtaining or rewarding favorable

treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

Any employee caught participating in such activity will be promptly terminated. Any employee who knows about, or reasonably should know about, any such activity and fails to report it to the Corporate Compliance Officer will be disciplined.

## **2. Government Contracts and Government Personnel**

All forms of gifts and entertainment to or from government personnel (Federal, State, and local), including persons that may be acting for or on behalf of the government, are expressly prohibited. When P&J is a prime contractor, or engages subcontractors for any purpose related to a government contract, the prohibition on gratuities extends to P&J employees in their relationship with those subcontractors. Likewise, when P&J is a subcontractor to a prime contractor or higher-tier subcontractor, gratuities to the prime or higher-tier subcontractor from P&J employees are prohibited.

Prohibited gifts and gratuities can include minor items such as meals, tickets to sporting events, transportation, special discounts or any other item of value. Generally, there is an exemption for unsolicited items, other than money, having a market value of \$20 or less per gift, with an annual aggregate maximum for the Company of \$50. Examples may include modest refreshments such as soft drinks, coffee and donuts or a business-related lunch that does not exceed \$20. However, if a gift could be construed as an attempt to secure favorable treatment, it is prohibited regardless of its value.

## **3. Non-Governmental Personnel**

Business courtesies related to private (non-governmental) transactions may, at times, be permissible. But receiving or accepting gifts or entertainment in the business context remains a sensitive area and can be inappropriate, or even illegal, depending on the circumstances. For this reason, it is important that all employees be cautious about giving or receiving gifts and entertainment from non-governmental personnel (as stated above, the giving or receiving of gifts from government personnel, or from subcontractors involved in a government contract, is prohibited). Therefore, regardless of the circumstances, the following rules apply:

- No employee may participate in major entertainment functions involving travel (hunting trips, golf excursions, etc.) without prior approval from the Corporate Compliance Officer.
  
- Entertainment functions and gatherings that do not involve travel are permitted so long as they are infrequent in nature and are not lavish or extravagant. While it is difficult to define “lavish or extravagant” by means of a specific dollar amount, a common sense determination should be made consistent with marketplace practices.

- Tangible gifts may be permitted where the giving or acceptance of the gift is not illegal, is of nominal value, and is clearly appropriate under the circumstances. The giving or receiving of tangible gifts must be infrequent in nature and may not be lavish or extravagant. While it is difficult to define “lavish or extravagant” by means of a specific dollar amount, a common sense determination should be made consistent with marketplace practices.
  
- Money, in any form, is never given, offered, solicited, or accepted.
  
- The ethical rules and policies of the contractors, subcontractors and suppliers transacting business with P&J must be respected and obeyed by P&J employees.
  
- No gift or entertainment may be given or received if it is, or could reasonably be construed to be, intended to influence an employee's behavior.

### **Your Responsibilities:**

- **Maintain** a level of unquestionable integrity in all relationships with clients, owners, subcontractors and suppliers.
  
- **Seek Authorization** from the Corporate Compliance Officer for entertainment functions that involve travel.
  
- **Document** all ordinary and customary business expenses.
  
- **Report** all violations or suspected violations of this policy to the Corporate Compliance Officer or your human resources representative.

### **D. Antitrust Policy**

P&J is fully committed to compliance with the antitrust laws, which are designed to promote free and open competition in the marketplace. The antitrust laws are complex, but it is essential that every employee be generally aware of them and that all employees who are actively involved in the bidding process consult P&J’s attorneys when any situation arises which may raise antitrust concerns. Below is a general overview of the antitrust laws:

The Sherman Act is the primary federal antitrust statute. The Sherman Act prohibits any agreement among competitors to fix prices, rig bids, or engage in other anticompetitive activity. Violation of the Sherman Act is a felony punishable by a fine of up to \$100 million for corporations, and a fine of up to \$1 million or 10 years imprisonment (or both) for individuals and may subject the Company and/or the individual to suspension or debarment. In addition,

collusion among competitors may constitute violations of the mail or wire fraud statute, the false statements statute, or other federal felony statutes. In addition to receiving a criminal sentence, a corporation or individual convicted of a Sherman Act violation may be ordered to make restitution to the victims for all overcharges. Victims of bid-rigging and price-fixing conspiracies also may seek civil recovery of up to three times the amount of damages suffered. Most criminal antitrust prosecutions involve price fixing, bid rigging, or market division or allocation schemes.

### **1. Price-Fixing**

Price-fixing is an agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. It is not necessary that the competitors agree to charge exactly the same price, or that every competitor in a given industry join the conspiracy. Price-fixing can take many forms, and any agreement that restricts price competition violates the law.

### **2. Bid-Rigging**

Bid-rigging is the way that conspiring competitors effectively raise prices where purchasers - often Federal, State, or local governments - acquire goods or services by soliciting competing bids. Essentially, competitors agree in advance who will submit the winning bid on a contract being let through the competitive bidding process.

### **3. Market Division**

Market division or allocation schemes are agreements in which competitors divide markets among themselves. In such schemes, competing firms allocate specific customers or types of customers, products, or territories among themselves. For example, one competitor will be allowed to sell to, or bid on contracts let by, certain customers or types of customers. In return, he or she will not sell to, or bid on contracts let by, customers allocated to the other competitors. In other schemes, competitors agree to sell only to customers in certain geographic areas and refuse to sell to, or quote intentionally high prices to, customers in geographic areas allocated to conspirator companies.

Any employee who violates antitrust laws will be terminated. Additionally, any employee who knows or reasonably should know that an antitrust violation has been, or will be, committed and fails to report it to the Corporate Compliance Officer will be subject to discipline, which may include termination.

#### **Your Responsibilities:**

- **Never discuss** pricing strategy with competitors.
- **Never agree** with competitors to control levels of performance.
- **Never divide** customers or territories with a competitor.
- **Don't agree** to boycott supplies or competitors.

- **Don't offer** a customer prices or terms more favorable than those offered to others unless justified by cost savings, the need to meet competition, a change in market conditions, or other legitimate business reasons.
- **Don't use** one product to coerce a customer into buying another product.
- **Remember** that the U.S. antitrust laws apply to overseas activities that affect U.S. commerce.
- **Report and consult** with P&J's attorneys regarding any concerns or questions in the areas of antitrust and anti-boycott laws.

## E. Claims

All requests or demands for payment made on behalf of P&J pursuant to any contract or business agreement shall truthfully and accurately reflect the value of the goods or services provided. Under no circumstances may an employee make a false claim. Examples of false claims include billing extra time not spent working on a project, charging for materials not used in a project, or artificially inflating a claim in order to negotiate additional compensation from the customer. Any claims that are false, fraudulent or otherwise deceitful may subject the company, and/or the individual making the claim to civil liability up to 3 times the amount of the false claim for payment, criminal liability punishable by up to 5 years imprisonment, a fine, and restitution, and administrative liability through suspension or debarment. Accordingly, any employee who knowingly makes false claims shall be terminated. Additionally, any employee who knows, or reasonably should know, that another employee has submitted, or intends to submit, a false claim and fails to report it to the Corporate Compliance Officer, will be subject to discipline, which may include termination.

### Your Responsibilities

- **Never make any false claim or representation** to government personnel, whether in connection with a claim for payment or otherwise.
- **Always check** P&J records to ensure that invoices to be submitted for payment are consistent with labor and billing records
- **Report** any discrepancies or irregularities in billing.

## F. Statements & Certifications

All statements, representations, and certifications made on behalf of P&J, whether written or oral, shall be accurate, truthful, and timely. Under no circumstances may an employee make a false or misleading statement, representation, or certification. Any statements that are false, fictitious, or fraudulent or contain materially false, fictitious, or fraudulent statements or entries,

may subject the Company, and/or the individual making the statement, to criminal liability punishable by up to 5 years imprisonment, a fine, and restitution, and administrative liability through suspension and debarment. In addition, if a false statement is used to get a claim paid, then the Company and/or the individual, may be subject to civil liability up to 3 times the amount claimed for payment.

Additionally, employees are routinely required to certify that they and the Company are in compliance with various contractual provisions and regulatory requirements. Examples of common certifications include certifications pertaining to environmental, safety, and health matters.

Employees must be aware of the requirements applicable to their jobs and ensure that all certifications are accurate and that there is neither a material omission of fact or materially misleading statements.

### **Your Responsibilities**

- **Always Consult Underlying Documentation** to confirm that a statement or certification on behalf of P&J is accurate and current.
- **Regularly Update** P&J's ongoing certifications to ensure their accuracy.

### **G. Environmental Compliance**

P&J is committed to full compliance with all Federal, State and local environmental laws, standards, and guidelines. Not only is environmental compliance legally necessary, but it is also an important component of our obligation to the community and our good reputation. It is essential that each employee involved with regulated air emissions, water discharges, hazardous materials, or other regulated pollutants know and comply with all applicable environmental laws and guidelines. No one at P&J may participate in concealing an improper discharge, disposal, or storage of hazardous materials or other pollutants. Any person who has reason to believe that there may have been violations of any aspect of P&J's environmental compliance policy shall report immediately to the Company's Corporate Compliance Officer. Moreover, in addition to compliance with all environmental laws and guidelines, P&J is also committed to utilizing energy and materials in a manner that will minimize the impact on the environment. P&J will also consider using recycled materials whenever feasible.

### **Your Responsibilities:**

- **Avoid any substantial discharges** of wastes, chemicals, or other materials that do not clearly comport with any permits or specific instructions associated with a work site.
- **Report** any environmental problems or irregularities to the Corporate Compliance Officer.

## H. Political Contributions

P&J employees must comply with all applicable laws governing political contributions. No funds or assets of the Company may be used to make political contributions. In addition, no direct or indirect pressure in any form may be directed to Company employees to make political contributions or participate in the support of any political party or organization, or the political candidacy of any individual. Contributions made by individuals to political organizations, candidates or causes shall be made only in the name of that individual. The Company will not reimburse, directly or indirectly, political contributions made by individuals.

### Your Responsibilities:

- **Do not use** any Company funds for political contributions.
- **Report** any violations of this policy to the Corporate Compliance Officer.

## I. Payments to Foreign Officials

No funds or assets of the Company may be used to make political contributions to, and no facilities, materials or services of the Company may be provided to any political organization, candidate or public official in any foreign country. Likewise, making payments indirectly through an intermediary, under circumstances indicating that such payments would be passed along for prohibited purposes, is prohibited. No P&J employee may offer, promise, authorize or make any payment of money or anything else of value to any foreign government official or employee for the purpose of influencing any official act or decision of that person or a foreign government or securing any improper advantage for the Company. This prohibition covers officials, employees and others working on behalf of any department, agency or instrumentality of any government, including any government-owned business enterprise or public international organization. Nominal payments (“facilitating payments”) to employees of a foreign government, whose duties are simply ministerial or clerical, may be permitted if they are necessary, follow an established, well-recognized practice in the area, are properly recorded and are for administrative actions to which the Company clearly is entitled. All proposed facilitating payments must be approved by Management. Any questions as to whether facilitating payments are appropriate should be directed to counsel.

### Your Responsibilities:

- **Do not** make any payment which could be interpreted as a payment for favorable treatment or an “improper advantage.”
- **Remember** that payments made by agents or intermediaries will be attributed to the Company.
- **Consult** with the Corporate Compliance Officer or P&J’s attorneys if there is any doubt concerning the legality of entertainment expenses or "facilitating" payments.

## **J. Immigration Law Policy**

P&J is committed to meeting its obligations under U.S. immigration law. P&J does not discriminate on the basis of citizenship status or national origin in recruitment, hiring or discharge, but P&J neither hires nor continues to employ an individual who is not legally authorized to work in the United States.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete Section 1 the Employment Eligibility Verification Form I-9 no later than close of business on his/her first day of work and present documentation establishing identity and employment eligibility no later than close of business on his/her third day of work. An employee's failure to produce required documentation is grounds for immediate separation from employment. Employment can be resumed only when the required documentation is furnished. P&J uses E-Verify to electronically verify the employment eligibility of rehires and newly hired employees.

### **Your Responsibilities:**

- **You are responsible for** completing, and assisting P&J in completing, all documents necessary to ensure employment eligibility.
- **Do not hire or facilitate the hire** of a person who you know is not legally authorized to work in the United States.
- **Report** any violations of this policy to the Corporate Compliance Officer.

## **K. Communications and Records**

All employees are expected to be familiar with, and conform to, the Company's document retention policy as well as the Company's recordkeeping and reporting procedures. Additionally, all Company and employee communications, correspondence, and records must be accurate, complete, and timely. The contents of any written communication must be legible and unambiguous. If, after making any communication, correspondence, or record, the employee discovers that s/he has made a mistake, then the employee must take all steps as may be reasonably necessary to correct such mistake. Any employee who knowingly makes a false or misleading communication, correspondence, or record will be terminated.

## **L. Commitment to Small and Disadvantaged Business Programs**

P&J is committed to full compliance with government sponsored opportunity programs and maximizing the opportunities of Small Businesses (SB), certified small disadvantaged business (SDB) concerns (including historically black colleges and universities (HBCU) and minority

institutions (MI)), women-owned small business (WOSB) concerns, HUBZone small business (HUBZone SB), veteran-owned small businesses (VOSB) concerns, and service-disabled veteran-owned small business (SDVOSB) concerns, As such, P&J will not discriminate on the basis of race, color, national origin, or sex in the hiring of suppliers or subcontractors and will foster an environment in which everyone is treated with respect, trust, honesty, fairness, and dignity. For each government-funded contract, P&J will make good faith efforts to maximize the participation of small or disadvantaged businesses in subcontracts and ensure that each is performing a commercially useful function. Small and disadvantaged businesses shall be deemed to be performing a commercially useful function if they are responsible for executing the work and carrying out their responsibilities by actually performing, managing, and supervising the work.

#### **M. Drugs and Alcohol**

P&J is firmly committed to providing its employees with a safe and productive work environment to the extent possible and promoting high standards of employee health. Accordingly, P&J expects all of its employees to report to work and be able to perform his or her duties productively and safely. Therefore, it is the policy of P&J to prohibit the use, sale, distribution, dispensation, manufacture, transportation, or possession of alcohol (except at company-approved functions) controlled substances including illegal and illicit drugs, designer drugs, look-alike drugs, and/or drug related paraphernalia. Working under the influence of, or impaired by any of the aforementioned items is strictly prohibited. Anyone determined to be in violation of this policy is subject to immediate termination.

#### **N. Safety & Health**

P&J considers employee safety and health one of its highest priorities. Many of the job activities, products, and materials handled by our employees require strict adherence to safety procedures, rules and regulations. Each employee must be aware of the Company's safety program that incorporates all of the applicable health and safety regulations and guidelines and follow all applicable procedures. Also, supervisors are responsible for ensuring that all reasonable safeguards and precautions are taken in the workplace including ensuring compliance with the P&J's Safety and Loss Control procedures and guidelines, promoting safe work practices, and the use of personal protective equipment. If any employee has any safety related concerns, he or she should report these concerns to the Vice President of Safety and Risk Management.

## **O. Conflicts of Interest**

Employees must avoid situations in which their personal interests could conflict with, or even appear to conflict with, the interests of the Company. Conflicts of interest arise when an individual's position or responsibilities with the Company present an opportunity for personal gain of profit separate and apart from that individual's earnings from the Company or where the employee's interests are otherwise inconsistent with the interests of the Company. As a general matter, if you think that any situation may be a potential conflict of interest, you should consult with the Corporate Compliance Officer. However, the following situations have a great potential for conflicts of interest:

### **1. Outside Employment**

As a matter of company policy, employees may pursue outside employment opportunities. However, such opportunities must not interfere with the employee's job responsibilities with the Company. Any outside employment that interferes with the employee's job responsibilities or conscientious performance of his or her duties are deemed to be a conflict of interest is not permitted. Likewise, an employee's participation in civic, charitable, or professional organizations or activities that interferes with the employee's job responsibilities or conscientious performance of his or her job is deemed to be an impermissible conflict of interest. Additionally, employees may not use company time or resources to further non-company business. Employees also may not use the Company's name to lend weight or prestige to an outside activity without prior approval from authorized management. Prior to engaging in any outside employment activity or participating in any civic, charitable, or professional organization or activity that may give rise to an actual or potential conflict of interest, the employee must consult with the Corporate Compliance Officer and obtain express written approval.

### **2. Personal Financial Interests**

Employees should avoid personal financial interests that might be in conflict with the interests of the Company. Such interests may include, but are not limited to, the following: obtaining a financial or other beneficial interest in a supplier, customer, or competitor of the Company; directly or indirectly having a personal financial interest in any business transaction that may be adverse to the Company; acquiring real estate or other property that the employee knows, or reasonably should know, that is of interest to the Company. Such personal financial interests include those interests of not only the individual employee, but also those of the employee's spouse, children, parents, grandparents, siblings and family in-law. If the employee knows, or reasonably should know, that a personal financial interest may be in conflict with the interests with the Company, the employee must first consult with the Corporate Compliance Officer and obtain express written approval.

#### ***IV. Obligation to Report Violations and Cooperation***

Each employee must promptly report any known or suspected violation of this Code of Ethical Conduct and all other unlawful or unethical conduct to the Corporate Compliance Officer. Employees are obligated to report such known or suspected conduct without regard to the identity or position of the suspected offender. Any report made under this section will be strictly confidential and under no circumstances will any employee who makes a report be subject to any acts of retribution or retaliation or disciplinary action. Additionally, all employees must fully cooperate in any investigation of a suspected violation of this Code and fully cooperate with any request by the Corporate Compliance Officer.

Any employee found to have violated this Code or engaged in other unlawful or unethical behavior shall be disciplined, including demotion or dismissal. Any employee who fails to report known or suspected violations of this Code or other unlawful or unethical behavior shall be subject to appropriate disciplinary action.

#### ***V. Consequences for Violations***

Any violation of this Code is cause for disciplinary action that may result in any of the following consequences:

- Reprimand.
  - Loss of compensation, seniority, or promotional opportunities.
  - Reduction in pay.
  - Demotion.
  - Suspension with or without pay.
  - Discharge.
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