

**PORTFOLIO RECOVERY ASSOCIATES**  
**CODE OF BUSINESS CONDUCT AND ETHICS**

## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
THE COMPANY’S CODE OF ETHICS .....	1
THE COMPANY’S CODE OF BUSINESS CONDUCT .....	1
I.    BUSINESS CONDUCT .....	2
A.    Gifts and Entertainment .....	2
B.    Payments to Customers or Vendors .....	2
C.    Political Contributions .....	2
D.    Payments to Government Officials or Employees .....	2
E.    Accounting Procedures and Documentation .....	2
F.    Marketing .....	3
G.    Competition and Fair Dealing .....	3
H.    Compliance with Laws and Regulations .....	3
I.    Public Reporting .....	3
II.   CONFLICT OF INTEREST .....	3
A.    Gifts and Entertainment .....	3
B.    Acting Against the Company’s Interests .....	4
C.    Outside Employment .....	4
D.    Outside Directorship and Investments .....	4
E.    Government Service .....	5
III.  FOREIGN CORRUPT PRACTICES ACT; INTERNATIONAL BOYCOTTS .....	5
A.    Foreign Corrupt Practices Act .....	5
B.    International Boycotts .....	5
IV.  IMPROPER TRADING IN SECURITIES .....	5
A.    General Principles .....	5
B.    Summary of U.S. Insider Trading Law .....	7
C.    Penalties for Insider Trading .....	9
D.    Rule 10b5-1 Stock Trading Plans .....	9
V.   COMMUNICATION WITH THE MEDIA, GOVERNMENTAL AGENCIES AND OTHERS .....	10
VI.  MUTUAL RESPECT .....	10
VII. SEXUAL HARASSMENT .....	11

VIII.	HEALTH AND SAFETY .....	11
IX.	TRAINING AND ACCOUNTABILITY .....	11
X.	REPORTING RESPONSIBILITIES .....	<b>Error! Bookmark not defined.</b>
XI.	ENFORCEMENT .....	12
XII.	NO RETALIATION .....	12
XII.	PERSONS COVERED .....	12
XIV.	WAIVERS .....	13
XV.	GENERAL.....	13

## **INTRODUCTION**

The reputation of Portfolio Recovery Associates, Inc. (the “Company”) is built upon basic principles of ethical behavior, individual integrity and personal commitment. This reputation can be retained only if all the Company’s employees establish and adhere to the highest moral and ethical standards in the conduct of the Company’s business.

This Code of Business Conduct and Ethics (the “Code”) governs the work behavior and business relationships of the Company’s directors, officers and employees with customers, competitors, governmental officials, the media, vendors, communities, the general public and each other. The purpose of this Code is to advise you of the Company’s policies regarding ethics and standards of business conduct and to otherwise assist directors, officers and employees in making decisions on behalf of the Company and in avoiding conflicts of interest.

Unless otherwise the indicated, any questions regarding this Code should be directed to your manager, a Vice President of the Company or the Director of Human Resources. Employees are encouraged to discuss with the President or any Vice President of the Company any concerns they may have related to the interpretation and application of this Code.

All the Company’s directors, officers and employees are covered by the Code.

The Company’s Code of Ethics is stated below, followed by the Company’s Code of Business Conduct.

## **THE COMPANY’S CODE OF ETHICS**

The Company will conduct its business fairly, impartially and in an ethical and proper manner. In conducting its business, integrity must underlie all of the Company’s relationships, including those with customers, vendors, competitors, governmental officials, communities, the media, the general public and co-workers.

The highest standards of ethical business conduct and full compliance with all applicable laws are required of the Company’s directors, officers and employees in the performance of their corporate responsibilities. The Company’s directors, officers and employees will not engage in conduct or activity that may raise questions as to the Company’s honesty, impartiality or reputation or otherwise cause embarrassment to the Company. Every director, officer and employee has the responsibility to ask questions, seek guidance, and express concerns regarding interpretation and compliance with the Code.

## **THE COMPANY’S CODE OF BUSINESS CONDUCT**

In order to preserve and perpetuate the reputation and successful business operation of the Company, there should be careful observance of all applicable laws and regulations, as well as scrupulous regard for high standards of conduct and personal integrity. While it is not possible to describe every illegal or improper act or practice, the Company deems the following standards of conduct to be particularly important.

## I. BUSINESS CONDUCT

- A. Gifts and Entertainment.** A gift, favor, entertainment, or service of any kind may not be provided by or on behalf of the Company to a customer, supplier, government employee or other person or organization, unless all of the following criteria are met: (i) it is reasonable and not excessive; (ii) it cannot, in the surrounding circumstances, be reasonably construed as a bribe, payoff or kickback; (iii) public disclosure of it would not embarrass the Company; (iv) the item is consistent with the normal and accepted business ethics of the country in which it is provided (see Foreign Corrupt Practices Act below); and (v) it does not violate the laws of the United States or the country in which it is provided.

In no circumstances may gifts be made of cash or cash equivalents (such as stock certificates or bonds). Gift certificates, however, may be given if they are reasonable, comply with the above criteria and are properly documented and approved in writing by the General Counsel.

- B. Payments to Customers or Vendors.** No effort may be made, directly or indirectly, to influence improperly any customer or supplier of the Company. The payment of bribes, payoffs, kickbacks or other benefits that may improperly influence business relationships between the Company and its customers or suppliers is prohibited. Such conduct is illegal and may violate state and federal criminal laws.
- C. Political Contributions.** No corporate funds, merchandise or service may be paid or furnished, directly or indirectly, to a political party, committee, organization or to a political candidate or incumbent, except if legally permissible and if approved in advance in writing by the General Counsel. No political contributions by individual employees may be made in the name of the Company or be reimbursed by it, directly or indirectly.
- D. Payments to Government Officials or Employees.** Corporate funds or other assets may not be paid or furnished, directly or indirectly, to a government official, government employee or politician for the purpose of obtaining or maintaining business on behalf of the Company. Such conduct is illegal and may violate state and federal criminal laws. Assistance or entertainment provided to any government office should never, in form or substance, compromise the Company's arm length business relationship with the government agency or official involved.
- E. Accounting Procedures and Documentation.** All transactions must be accurately recorded in a timely manner on the Company's books and records. The recording and reporting of transactions and financial balances will be in accordance with generally accepted accounting principles. No unrecorded bank accounts, corporate funds or assets may be maintained. No entry may intentionally distort or disguise the true nature of any transaction. Corporate funds may not be paid with the intent or understanding that any part of such

payment is to be used for a purpose other than that described by the documents supporting such payment.

- F. Marketing.** Proper marketing practices should emphasize quality services at competitive prices.
- G. Competition and Fair Dealing.** The Company seeks to outperform its competition fairly and honestly. The Company seeks competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each director, officer and employee should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors and with each other. No director, officer or employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice. The Company's directors, officers, employees, representatives and agents should not falsely disparage or make unfair negative comments about its competitors or their products and services. Negative public statements concerning the conduct or performance of any former director, officer or employee of the Company should be avoided.
- H. Compliance with Laws and Regulations.** The policy of the Company requires compliance with all laws and regulations applicable in the country, state and local jurisdiction where the Company's business is conducted. No director, officer or employee may take any action on behalf of the Company that violates the letter or spirit of any law or regulation.
- I. Public Reporting.** The policy of the Company requires full, fair and accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company. All employees are encouraged to bring to the attention of the appropriate senior executives or board or audit committee members complaints, questions or concerns regarding accounting, internal accounting controls and auditing matters in accordance with the procedures established by the audit committee of the Board of Directors of the Company.

## **II. CONFLICT OF INTEREST**

- A. Gifts and Entertainment.** No director, officer or employee may accept a gift, favor or entertainment from a customer, vendor, or other person or organization in connection with the Company's business unless all of the following criteria are met: (i) it is reasonable and not excessive; (ii) it cannot, in the surrounding circumstances, be reasonably construed as a bribe, payoff or kickback; (iii) public disclosure of it would not embarrass the Company; (iv) the item is consistent with the normal and accepted business ethics of the country in which it is provided;

and (v) it does not violate the laws of the United States or the country in which it is provided.

In no circumstances may gifts of cash or cash equivalents be accepted.

- NOTE:
1. Tickets to concerts, sporting events, shows, and fund raising events may be accepted by employees and are generally not considered gifts, but must be reasonable and are subject to the above criteria. Tickets may not be used for resale.
  2. Trips and symposiums offered by customers or suppliers may be attended by employees, if such are offered in the context of a group session with other similar suppliers or purchasers in attendance as guests, are reasonable and meet the above criteria, and are approved in advance by an executive officer of the Company.

- B. Acting Against the Company's Interests.** No director, officer or employee may divert a business or financial opportunity to his or her own benefit. This situation can occur when a director, officer or employee becomes aware of an opportunity to acquire or profit from a business opportunity or investment that the Company may have an interest in pursuing. In such situation, the director, officer or employee should disclose the relevant facts to the Board, the Chief Executive Officer, or a Vice President responsible for his or her department. If the Company is not interested in pursuing the opportunity and no objection is expressed, the person may then take advantage of the opportunity. In no event may director, officer or employee deal for his or her own account in products sold or services performed by the Company.
- C. Outside Employment.** An officer or employee may not engage in employment outside the Company if such employment: (1) may constitute an actual or potential conflict of interest, or (2) interferes with the officer's or employee's assigned duties with the Company. Examples of such interference include outside employment that requires the use of the Company's time or facilities or impairs the employee's ability to give full attention to his or her position with the Company during scheduled working hours.
- D. Outside Directorship and Investments.** A director, officer or employee serving as a director of, or having a business or financial interest in, a firm having current or prospective dealings with the Company (such as a competitor, customer, vendor, landlord or tenant) must immediately disclose that fact in writing to the Company's General Counsel so that it may be determined whether the situation presents a conflict of interest. The business or financial interests of family members living with a director, officer or employee also shall be considered to be the financial interests of that director, officer or employee. Any subsequent approval to continue or engage in such outside directorship or investment must be made in writing. The Company will presume that ownership of not more than one

percent (1%) of a publicly traded company's securities (other than the Company) does not involve a conflict of interest and need not be disclosed.

- E. Government Service.** Although individual participation in political activities or service in government positions outside of normal business hours is encouraged, such activities or service may present a conflict of interest. Any director, officer or employee wishing to be a candidate for public office, whether elective or appointive, must request the prior written approval of the Company's General Counsel. A director, officer or employee holding a government office should abstain from any vote or decision that involves the Company's interest.

### **III. FOREIGN CORRUPT PRACTICES ACT; INTERNATIONAL BOYCOTTS**

- A. Foreign Corrupt Practices Act.** The Foreign Corrupt Practices Act (the "FCPA") prohibits companies from paying or offering to pay anything of value to any non-U.S. government official, government employee, political party or political candidate to obtain or retain business or to influence a person working in an official capacity.

The FCPA does not prohibit tips or gratuities of nominal amounts to lower level non-U.S. government employees to ensure they perform their routine duties (such as issuing of visas or custom documents) in a prompt and proper way. However, such payments are discouraged, but if absolutely necessary should be made only after consultation with the Company's General Counsel.

- B. International Boycotts.** Several United States laws prohibit cooperation with certain international country boycotts. Penalties apply even for failure to report promptly any requests for boycott-related information or action. The boycott laws are extremely complex, and any request received by the Company that could possibly fall within the context of a boycott law (such as a request to refrain from doing business in a particular country) should be brought to the immediate attention of the General Counsel before any response is made to the request.

### **IV. IMPROPER TRADING IN SECURITIES**

As a publicly traded company, Portfolio Recovery Associates and its wholly owned affiliates (the "Company") and its employees, officers and directors are subject to restrictions imposed by the federal securities laws, including those concerning "insider trading." This policy (the "Policy") sets forth approved procedures regarding trading in securities of the Company ("Company Securities").

- A. General Principles.** The "insider trading" provisions of the federal securities laws prohibit the trading of securities based upon material, non-public information. Because of the severity of the penalties provided by law and the potential for damage to the Company's good name and reputation as a result of such unlawful trading, these legal prohibitions are summarized below. This Policy covers securities transactions by employees, officers and directors, their spouses



or significant others, and children or other immediate family members who live with them (a "Covered Person") and includes the following restrictions:

Except as provided in Section IV.D herein, no employee, officer or director may trade, or allow a Covered Person to trade, in Company Securities while in possession of material, non-public information. Insider trading is prohibited by Company policy in addition to the securities laws. Section IV.B of this Policy contains a summary of the laws regarding insider trading, including definitions to help you determine whether you have material, non-public information. The following is a shorthand rule for you to consider in determining whether your trade is based on "inside" information.

If the non-public information you have is to any extent motivating you to buy or sell the securities, it is probably material.

If you have any question as to whether you possess material, non-public information you should consult with the Company's General Counsel.

No employee, officer or director may trade, or allow a Covered Person to trade, in securities of other companies with which the Company or any of its subsidiaries has business dealings (for example, a credit originator, or the subject of a possible acquisition), on the basis of material, non-public information.

1. Employees, officers and directors and Covered Persons should not "play the market" in Company Securities by engaging in speculative transactions such as same day purchases and sales.

Except as provided in Section IV.D herein:

2. Any employee, officer or director who is in possession of material, non-public information and is considering (or is or becomes aware that a Covered Person is considering) effecting a transaction in Company Securities, including open market and privately negotiated purchases and sales of Company Securities, must consult with the Company's General Counsel about the propriety thereof before initiating such transaction. Transactions with the Company such as the exercise of stock options or equity based awards or the sale of Company Securities back to the Company generally do not involve insider trading issues. However, any employee who is in possession of material, non-public information, and any officer or director considering the exercise of stock options or other equity based awards and a concurrent sale of Company Securities (other than to the Company) must likewise consult with the General Counsel before initiating the transaction. In order to facilitate the General Counsel giving advice regarding such a transaction, it will be necessary for each affected employee, officer or director who intends to effect a transaction in Company Securities to complete, date and execute the

attached Company Securities Insider Trading Questionnaire (either on behalf of himself, herself or a Covered Person), and deliver it to the Company's General Counsel, prior to effecting such transaction.

3. Any employee who is in possession of material, non-public information, and any officer or director must receive the advance written approval of the Company's General Counsel, before effecting any such transaction in Company Securities.
4. No purchase or sale of Company stock will be approved during the period beginning on the last day of the second month of a calendar quarter and ending on the third business day following an earnings release for any trades by employees who are in possession of material, non-public information concerning the Company, or by any officer of the Company or any Director, except as otherwise provided herein.
5. Directors and officers who are required to file Section 16 reports are subject to additional limitations and should refer to the materials they have received.
6. Upon first receiving a copy of this Policy or any revised versions, each employee, officer and Director must sign the Acknowledgment attached hereto, acknowledging that he or she has received a copy and agrees to comply with the Policy's terms, and return it to the Company's General Counsel.

## **B. Summary of U.S. Insider Trading Law**

### **General Prohibitions**

The United States and foreign securities laws, as well as Company policy, prohibit an insider, who is anyone with a special relationship to a company (such as an employee), from (i) trading in any securities of that company on the basis of material, non-public information or (ii) directly or indirectly disclosing such information to another person (a "tippee") who uses it for trading purposes, regardless of the insider's relationship to the "tippee" (e.g., whether the insider is related to the tippee, or is an entity in which the tippee has an interest, or is merely an acquaintance). The prohibition remains in effect until the information has been disclosed to and been absorbed by the investing public. Communication of such nonpublic information to a third party, under circumstances where improper trading can be anticipated, is also prohibited.

In addition, current law, as well as Company policy, prohibits employees, officers and directors from trading securities of other companies with which the Company has business dealings (for example, a credit originator, or the subject of a possible acquisition), on the basis of material, non-public information, or providing such information to others who trade. The prohibition against tipping of material, non-public information also applies to inquiries received about the Company from

financial analysts, newspapers or other press, stock brokers, and anyone else outside the Company. All communications with anyone outside the Company regarding any internal Company information should be done only through the Company's designated officer(s) and under circumstances consistent with procedures to safeguard confidential information.

While the focus is often on those individuals who trade, or on tippees, the federal securities laws also impose potential liability on companies and "controlling persons" if they fail to take reasonable steps to prevent insider trading.

### **Definitions**

For the purpose of defining the term "on the basis of", generally, a trade in a security of a company is "on the basis of" material non-public information if the person making the trade was aware of material non-public information about the company when the trade was made. The term "material information" should be broadly interpreted to include any information -- whether positive or negative -- that, if publicly disclosed, might have an effect on the market for a company's securities generally, or any information an investor might consider important in deciding whether to buy, sell, or hold securities. Examples of such information include: financial results (especially earnings estimates) or operating results; internal financial projections (especially those that vary from publicly stated financial projections); important new contracts, changes in contractual relationships or loss of business; an important new service; significant shifts in operating or financial circumstances; significant changes in the business prospects of credit originators or competitors; actual or proposed capital expenditures that vary substantially from those included in public pronouncements for the relevant period; a proposal, negotiation or agreement for a joint venture or the termination thereof; proposals, negotiations or agreements for corporate acquisitions or the sale of existing operations; the initiation or resolution of significant litigation or regulatory proceedings or a significant litigation or regulatory development; a change or important development in company management; a government investigation; a significant contingent liability; or any other event that would be expected to affect the market price of a company's securities. This list of examples is not intended to be exhaustive; if the inside information you have is to any extent motivating you to buy or sell the securities, it is probably material. If you have any question as to whether information you possess may be "material non-public" information, you should consult with the Company's General Counsel.

"Non-public" information is any information which has not been disclosed generally to the marketplace. Information about the Company that is not yet in general circulation should be considered non-public. Information should be considered to be public and in general circulation 48 hours after it has been included in a press release or filing with the Securities and Exchange Commission (the "SEC"). Similarly, information received about another company under circumstances indicating that it is not yet in general circulation should be

considered non-public. The most dangerous time to engage in a purchase or sale of a company's securities would be shortly in advance of the public release by it of important information, such as quarterly or year-end financial results or other important news, while the safest time would be the period shortly following the release and publication of such information (always assuming that the employee is not aware of other undisclosed material information). However, even after a company has released such information, it is important to be sure that sufficient time has elapsed to enable the information to be disseminated to, and considered by, investors.

This Policy provides only an outline of those federal securities laws which typically affect transactions in securities of the Company and does not address the various reporting requirements of the Company. Other provisions of the federal securities laws not discussed in this memorandum may apply to specific transactions involving securities. Please forward any requests for more detailed information or any questions you may have concerning any of the subjects addressed in this memorandum to the Company's General Counsel.

**C. Penalties for Insider Trading.** The seriousness of insider trading is reflected in the penalties it carries, which can be severe. Both a company itself and its individual employees, directors or officers may be held liable. Insider trading may result in serious criminal penalties or more in fines and imprisonment, or both, if the trading is found to involve a willful violation of the law. The SEC also has the authority to seek disgorgement, a civil penalty against the insider or tippee of up to three times the amount of profit gained or loss avoided by insider trading from the violator and an injunction against future violations. The SEC also may impose liability on a company and any "controlling person" of an insider trading violator for up to the greater of \$1,000,000 or three times the company or a "controlling person" is found to have recklessly disregarded the likelihood that a controlled person would engage in violation and failed to take steps to prevent the action before it occurred. The offending company or "controlling person" may also receive a criminal penalty of up to \$2,500,000. The SEC is authorized to pay rewards of up to 10% of a penalty recovered to persons providing information leading to the imposition of a penalty. In addition, insiders or tippees who trade on inside information may receive a jail term of up to ten years and a criminal fine of up to \$1,000,000 (no matter how small the profit). Finally, private parties also may bring actions against any person purchasing or selling a security while in possession of material, nonpublic information.

**D. Rule 10b5-1 Stock Trading Plans.** An SEC Rule 10b5-1 stock trading plan is an irrevocable binding contract, instruction or written plan, with specified terms and conditions for the purchase or sale of the securities of a publicly traded company. Such a plan offers employees of the Company who possess insider information with an affirmative defense against a later claim that the insider traded the stock while in possession of material non-public information, provided that the trade occurs pursuant to the plan. Any trades of the Company's stock which are made pursuant to a written SEC Rule 10b5-1 stock trading plan which has been

approved in advance by the Company's General Counsel, will not be subject to trading restrictions of this Policy. Any such stock trading plan must (1) expressly specify the price and timing of trades, and must provide a written formula or instructions concerning the manner in which the number of shares to be traded is determined, and (2) not allow the individual employee to exercise any subsequent influence over how, when, or whether to effect purchases or sales, and (3) expressly provide that any person who implements the Director's, officer's or employee's trading instructions may not be aware of material non-public information concerning the Company when effecting the trade.

After entering into a stock trading plan which has been approved in advance by the Company's General Counsel, no alterations or deviations may be made to the plan, and no trades of the Company's stock may be made which are not pursuant to the plan. No instructions may be given to any broker or dealer which change the plan in any way.

## **V. COMMUNICATION WITH THE MEDIA, GOVERNMENTAL AGENCIES AND OTHERS**

All inquiries from securities analysts or investors must be directed to the Company's Chief Financial Officer. If a director, officer or employee receives an inquiry from a governmental or regulatory agency on matters outside his or her area of responsibility or on legislative issues, such inquiries should be directed to the General Counsel. General inquiries from the media should be directed to the Investor Relations contact.

## **VI. MUTUAL RESPECT**

All the Company's directors, officers and employees are entitled to be treated with respect and to be free of conduct that is offensive, hostile, intimidating or inconsistent with their personal rights. Any person affiliated in any way with the Company who is found to have acted in violation of this policy may be subject to appropriate disciplinary action including reprimand, removal, discharge, or prosecution where warranted under appropriate state and federal laws.

Employees are treated without regard to race, color, religion, sex, national origin, age, sexual preference, marital or veteran status, medical condition or handicap, or any other legally protected status. Any employee who feels that he or she has been subject to discrimination on the basis of any legally protected status or who has been subject to any behavior or conduct that is offensive should discuss the matter with his or her manager, Human Resources or the office of the General Counsel. For matters reported to a manager, it is the manager's responsibility to report such incidents to Human Resources or the Office of the General Counsel so that a timely investigation can be conducted and disciplinary action taken, if necessary. All such matters will be promptly investigated and handled as confidentially as possible. Employees are encouraged to bring to the attention of Human Resources any conduct by superiors, co-workers, clients, suppliers or any person or persons associated with the Company that is discriminatory or disrespectful of their dignity.

## **VII. SEXUAL HARASSMENT**

It is the Company's policy that sexual harassment of employees or applicants for employment in any form will not be tolerated. Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature. Sexual harassment also includes, but is not limited to, unwelcome sexual flirtations, advances or propositions, verbal abuse of a sexual nature, subtle pressure or requests for sexual activities, unnecessary touching of an individual, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, a workplace display of sexually suggestive objects or pictures, sexually explicit or offensive jokes, or physical assault.

No director, officer or employee shall threaten or insinuate, either explicitly or implicitly, that an employee's or applicant's refusal to submit to sexual advances will adversely affect that person's employment, work-status evaluation, wages, advancement, assigned duties, shifts, or any other condition of employment or career development. Similarly, no director, officer or employee shall promise, imply, or grant any preferential treatment in connection with any employee or applicant engaging in sexual conduct.

Any employee who feels that he or she is a victim of sexual harassment by any supervisor, management official, other employee, customer, vendor, or any other person in connection with his or her employment should bring the matter to the immediate attention of his or her manager, Human Resources or the office of the General Counsel. For matters reported to a manager, it is the manager's responsibility to report such incidents to Human Resources or the Office of the General Counsel. The Company will promptly investigate all allegations of sexual harassment in as confidential a manner as possible and will take appropriate corrective action as warranted.

Following an investigation, any employee who is determined to have engaged in sexual harassment in violation of this policy will be subject to appropriate sanctions, up to and including termination.

## **VIII. HEALTH AND SAFETY**

The Company strives to provide each employee with a safe and healthful work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

## **IX. TRAINING AND ACCOUNTABILITY**

Each employee of the Company is required to participate in ethics training and take an ethics quiz at least annually. All managers shall, within their areas of responsibility, be responsible for explanation of this Code so as to assure employee knowledge and

compliance. Managers are also responsible for enforcement of this Code within their area of responsibility. The Company will periodically circulate notices reminding all employees of their obligations under this Code and written certification concerning Code compliance may be periodically required from those directors, officers or employees so designated by the Chairman of the Board and/or the President and Chief Executive Officer, of the Company.

## **X. REPORTING RESPONSIBILITIES**

In order to ensure that violations of this Code do not result in harm to the Company or its directors, officers and employees, it is essential that management of the Company be aware of any such violations. Therefore, directors, officers and employees are encouraged to discuss with their manager or any Vice President of the Company any concerns they may have related to the interpretation and application of this Code. Any actual or contemplated conduct that a director, officer or employee discovers and which he or she reasonably believes may constitute a violation of this Code must be promptly reported directly to the Senior Vice President of Human Resources or via the Company's Confidential Hot Line (800-290-1650). Failure to notify the Company of an existing or potential violation is itself a violation of this Code. Directors, officers and employees are expected to cooperate in internal investigations of misconduct.

The Company's confidential telephone hotline for the reporting of suspected policy violations or unethical activity is operational 24 hours a day, seven days a week, and is prominently posted in all the Company's work sites and on the Company intranet.

## **XI. ENFORCEMENT**

Violation of this Code may result in disciplinary action, including removal from office or termination of employment. Legal proceedings may also be commenced, if necessary, to recover the amount of any improper expenditures, any profits realized by the offending director, officer or employee, and any financial detriment sustained by the Company. In appropriate circumstances, violations of this Code will be reported to the applicable authority.

## **XII. NO RETALIATION**

The Company will not tolerate any retaliation against any person who provides information in good faith to a Company or law enforcement official concerning a possible violation of any law, regulation or this Code. Any Employee or Director who violates this rule may be subject to civil, criminal and administrative penalties, as well as disciplinary action, up to and including termination of employment.

## **XIII. PERSONS COVERED**

This Code applies to all directors, officers and employees of the Company. With regard to personal securities trading and certain other matters described in this Code, the Code also applies to spouses, family members and others who live in their households. In particular, the Company directors, officers and employees may not do indirectly through

a family member what they cannot do directly. Therefore, all references in the Code to the Company's directors, officers and employees include such individuals as well as, where appropriate, their immediate families.

#### **XIV. WAIVERS**

Any waiver of this Code for employees other than officers or directors shall be communicated immediately to the General Counsel of the Company. Any waiver of this Code for officers or directors may be made only by the independent members of the Board or a Board committee comprised of independent directors and will be promptly disclosed as required by law or stock exchange regulation.

#### **XV. GENERAL**

This Code is a corporate statement of policy, the contents of which may be modified substituted or altered at any time by the Company. This Code is not intended to create a contract of employment or to alter the employment relationship that exists between employees and the Company.



**ACKNOWLEDGMENT OF RECEIPT AND COMPLIANCE WITH THE CODE**

I hereby certify that I have read and understand the Company's Code of Business Conduct and Ethics. I also have had an opportunity to review any questions on the interpretation of the policies described in this Code.

I agree to comply with the policies and guidelines set forth in the Code for the duration of my service or employment with the Company.

---

SIGNATURE

---

PRINT NAME

---

DATE