



## CODE OF BUSINESS CONDUCT & ETHICS

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Patriot Coal Corporation, its subsidiaries and affiliates (together referred to as “we,” “Patriot” or the “Company”) will, at all times, conduct their business in an ethical and safe manner and in strict compliance with all laws and regulations. This Code of Business Conduct and Ethics defines ethical standards to help all employees achieve the objective of establishing and maintaining a reputation as a world-class company. It applies to all employees, and any questions regarding acceptable conduct or interpretation of this Code should be directed to the Company's General Counsel or his designee (“Counsel”).

This Code of Business Conduct and Ethics is not a part of a contract, and no employee of the Company has any contractual right to the matters set forth in this Code. The contents of the Code are not a guarantee of employment. Additionally, the contents of the Code do not alter in any way employment status.\*

\* In this Code, the term “employee” or “employees” refers to all officers, directors and salaried employees of Patriot and its subsidiaries, joint ventures and affiliates under its control. The term “Counsel” refers to the General Counsel of Patriot and attorneys who are designated to administer this Code.

This Code of Business Conduct and Ethics defines ethical standards to help Patriot's employees achieve the objective of conducting our business affairs as a world-class company.

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## 1. MISSION STATEMENT

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Patriot's Mission Statement expresses the shared goals of its employees and expected standards of perfor-

mance. It also lists six areas the Company believes to be fundamental, one of which is:

*“Conduct our business with trust, respect and integrity toward customers, suppliers, employees and regulatory agencies”*

This principle is one of the underlying purposes for the Code of Business Conduct and Ethics. The complete text of the Mission Statement follows.



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Patriot is a leading coal producer committed to operational and environmental excellence, customer satisfaction, and long-term value creation.

Our core values are to:

- *Make safety our highest priority and the cornerstone of the relationship with our employees*
- *Promote a high-performing organization by hiring and retaining the most qualified people and maximizing their opportunities through personal growth and development*
- *Engineer, build and manage our operations to enhance productivity and ensure a competitive cost structure*
- *Be a steward of the environment and a good neighbor in the communities where we operate*
- *Provide creative solutions to our customers through utilization of our diverse sourcing capabilities and innovative contracting techniques*
- *Conduct our business with trust, respect and integrity toward customers, suppliers, employees and regulatory agencies*

## 2. CONFLICTS OF INTEREST

Each employee must avoid all conflicts of interest and the appearance of impropriety when representing Patriot in business dealings or in making any recommendation which could affect the Company. In addition, each employee must disclose any actual or apparent conflict of interest to his or her supervisor and promptly submit an updated copy of the attached “Compliance Statement” to the appropriate Counsel.

A “conflict of interest” exists when an employee’s private interest interferes, or appears to interfere, with the interests of the Company. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, or members 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, executive officers are not permitted by law. Loans to family members of executive officers, or guarantees of their obligations, are prohibited as a matter of policy.

It is not practical or possible to specify all activities which may create a conflict of interest; however, situations which an employee should avoid include:

- *Owning any interest (other than nominal amounts of stock in publicly traded companies) in any supplier, customer, lessor, contractor or competitor<sup>1</sup>;*
- *Consulting with, or being an employee of, any customer, lessor, contractor, supplier or competitor during employment by Patriot;*
- *Providing services to another company engaged in the mining or sale of coal, production or sale of coalbed methane, or any competitor in engineering, accounting, legal, laboratory and other services;*
- *Participating in any outside business activities that are competitive with any of Patriot’s businesses;*

- *Purchasing from, or selling to, the Company goods or services, or having a close relative (as defined under 4.B) do the same (unless done through a normal program of disposal of surplus Company property offered generally to all employees);*
- *Participation in outside activities which are so substantial that they interfere with an employee’s ability to devote appropriate time and attention to his or her job responsibilities with the Company;*
- *Serving on the board of directors of a customer, lessor, contractor, supplier or competitor;*
- *Disclosing or using any information that is confidential, proprietary or privileged.*

<sup>1</sup> *As a point of clarification, ownership in shares of Peabody Energy Corporation common stock or stock options held prior to the Company’s spin-off should not raise conflict issues, provided the holder complies with 4.D below and does not trade those securities on the basis of material, non-public information.*

## 3. CORPORATE OPPORTUNITIES

Employees are prohibited from using for personal gain any business opportunity learned of through the use of Company property, information or position. No employee may use Company property, information or position for improper personal gain and no employee may compete with Patriot. These restrictions prohibit the personal purchase of leases or other property, such as surface, coalbed methane or mineral interests, in an area where Patriot holds mining interests or where Patriot may have an interest in acquiring such properties.

Employees owe a duty to Patriot to advance its legitimate interests when the opportunity to do so arises.

## **4. COMPLIANCE WITH ALL LAWS**

It is Patriot's policy to comply in all respects with the laws and regulations that apply to its business at all government levels (including tribal governments) in the United States and abroad. Employees are expected to comply with the letter and spirit of such laws and regulations.

Failure to comply with all laws and regulations or making any false statement, representation or certification concerning any legal requirement may subject you to discipline up to and including immediate discharge, in addition to any sanctions that may be levied by governmental authorities. If you observe or become aware that a law or regulation is being violated in the workplace, you should immediately report such violations to Patriot management.

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts or about the requirements or prohibitions mandated by a particular law or regulation, the appropriate Counsel should be consulted for specific advice.

### **A. MINE SAFETY AND ENVIRONMENTAL LAWS**

Patriot is committed to providing a safe, healthy workplace and constantly strives to eliminate or minimize accidents in the workplace, wherever it does business. Each employee is responsible for maintaining a safe and healthy workplace for all by following all of the Company's safety rules and practices and reporting accidents, injuries and unsafe equipment, practices and conditions in a timely manner.

If you discover a condition or practice that is unsafe or may lead to a hazardous condition, you should immediately take steps to correct the problem. If you are not qualified to correct the problem, or if you need additional resources or guidance, you should report the condition to the appropriate management personnel at your mine or facility. Any employee who wishes to report an unsafe condition or practice on an anonymous, confidential basis, may do so by: (a) calling 1-800-957-6388; or (b) sending an e-mail to [PatriotComplianceHotline@GetInTouch.com](mailto:PatriotComplianceHotline@GetInTouch.com). Patriot will investigate all reported concerns, provide confidential feedback regarding management's response, and implement necessary action to correct any hazardous conditions or practices.

Patriot is also committed to establishing and maintaining environmental protection programs that prevent injury to the environment in its operating communities. These programs are designed to enhance Patriot's reputation as a good corporate citizen and an industry leader and are, at a minimum, structured to comply with all applicable laws and regulations.

### **B. EEO LAWS, AFFIRMATIVE ACTION PROGRAMS AND OTHER EMPLOYEE MATTERS**

Patriot is committed to comply with all Equal Employment Opportunity laws and to provide equal opportunity for all persons. Reaching out to all people is, therefore, fundamental in maximizing our opportunity to attract and retain a qualified and high performance work force.

Decisions regarding recruiting, hiring, placing, promoting, training, compensating, transferring and terminating employees shall be made without regard

to sex, race, age, ethnicity, religion, military status, sexual orientation, disability, status as a qualified disabled veteran or qualified protected veteran or on the basis of genetic conditions or predisposition to certain diseases.

Any Patriot employee who has responsibility for selecting, placing, training, compensating, or promoting employees is required to comply with all Equal Employment Opportunity laws.

To ensure that there is no appearance of favoritism, Patriot has adopted a special procedure for the hiring or employing of close relatives of any management personnel. The future hiring of any such relatives must receive prior approval of the operations manager (unless related) of the next higher level of management or for non-operating locations or corporate offices by Patriot's General Counsel. For purposes of this Code, "close relatives" means any child, stepchild, parent, stepparent, spouse, sibling, grandparent, grandchild, uncle, aunt, niece, nephew or such person related by marriage as well as anyone (other than an employee) who shares your household.

Patriot is committed to complying with all applicable labor laws and supports the protections afforded under the National Labor Relations Act and related election processes. In its employment practices, Patriot adheres to the following principles: (1) that workers have the right to freely choose whether or not to form and join trade unions and bargain collectively; (2) that employment shall be freely chosen; and (3) that there shall be no use of forced labor, including bonded or voluntary prison labor.

## C. ANTITRUST LAWS

Patriot believes that vigorous and fair competition is in the best interest of its employees, its shareholders and the Company. Antitrust laws were developed and enacted to help preserve the free enterprise system by promoting healthy competition. Patriot will comply in all respects with both the spirit and letter of the antitrust laws.

The antitrust laws are a collection of statutes enacted by both the federal government and various states. These laws prohibit business activities which constitute unreasonable restraints of trade, unfair trade practices and other anti-competitive activities. Employees should not participate in any activity which would serve to undermine the competitive nature of the industry or to artificially establish product prices independent of the market.

Any proposed joint activities (such as research, development or production) with competitors must be reviewed by the appropriate Counsel before being undertaken. The legality of such activities depends on a variety of factors which must be analyzed on a case-by-case basis.

Activities of trade associations also can involve antitrust problems. For example, information concerning current prices and details of transactions between specific buyers and sellers should not be provided to a trade association. Any proposed attendance at a trade association meeting which may result in members disclosing or exchanging sensitive or proprietary information must be approved in advance by the appropriate Counsel who may require severe restrictions or limitations.

## D. SECURITIES LAWS AND INSIDER TRADING

Patriot is a publicly owned corporation. Patriot's policy is for the Company and its employees to obey all securities laws, applicable securities exchange regulations and the Company's Insider Trading Policy, as may be amended from time to time.

It is a violation of the U.S. securities laws for employees to use for one's own benefit, or to selectively disclose to others for their benefit, "material" non-public information about Patriot's plans or operations. Non-public information is "material" if there is a substantial likelihood that a reasonable investor would find it important in deciding to buy or sell shares of a company's stock. All non-public information about Patriot's plans and operations, whether or not "material," is the absolute property of the Company. As a result, it is a violation of this Code for an employee to use any non-public information for his or her own benefit, or to disclose it to any party outside the Company.

Patriot considers its reputation for fairness and integrity one of its most valuable assets.

To ensure compliance with both the letter and the intent of securities laws, each employee should adhere to the following guidelines:

- *No employee should disclose material non-public information regarding Patriot's plans or operations, except to other Patriot employees who establish their need to know to conduct Company business.*
- *Any employee in possession of material non-public information regarding Patriot should not buy or sell, or recommend anyone else to buy or sell, Patriot securities until the information has been properly disclosed to the public by the Company and the public has had sufficient time to become aware of and to evaluate such information.*
- *Since material non-public information may also*

*relate to the value of securities of companies with which Patriot is doing business, anyone possessing such "inside information" may not sell or buy the securities of those other companies or disclose that information to persons outside Patriot, until the information has been properly disclosed to the public and the public has had sufficient time to become aware of and to evaluate it.*

- *Inquiries from financial analysts and others affiliated with the financial and investment communities which relate to public or non-public information regarding Patriot should be referred to Patriot's Vice President - Investor Relations or the Chief Financial Officer.*
- *All persons designated by the Chief Executive Officer or the General Counsel shall be prohibited from time to time from trading in Patriot securities during any "closed period" or "blackout period" as determined by the Chief Executive Officer or the General Counsel, consistent with the securities laws of the United States and by the rules and regulations of any applicable stock exchange.*
- *Directors and certain officers of the Company are subject to special reporting requirements and short-swing profits liability under the federal securities laws. These individuals must therefore receive pre-clearance from the General Counsel or his or her authorized representative prior to engaging in any transaction in Patriot stock. Directors and executive officers are also required by law to report their beneficial holdings and transactions in Patriot stock to the Securities and Exchange Commission. The Company expects that all such reports will be filed in an accurate, timely fashion. The affected officers and directors should contact the General Counsel for assistance in understanding and meeting their filing obligations.*

Violations of securities laws frequently involve idle or casual conversation about a business or its plans. If such indiscretions involve material non-public information, they may ultimately result in serious consequences for the Company and for those who provide such inside information.

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## 5. COMMERCIAL RELATIONSHIPS

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Patriot considers its reputation for fairness and integrity one of its most valuable assets. The Company seeks stable and profitable business relationships – based on fairness and integrity – with its employees, customers, suppliers, lessors and all others whose activities are associated with it. Employees are expected to use good judgment in all dealings with individuals, suppliers or firms which seek to become a supplier of goods or services to Patriot. To that end, Patriot's employees must conduct their business affairs so that Patriot's integrity will be unquestionable if the full details of those dealings become public.

To illustrate the high ethical standards expected of every employee, the following conduct is expressly prohibited:

- *Paying or receiving money, gifts, loans or other favors which may influence or be perceived to influence business decisions or compromise independent judgment;*
- *Giving or receiving any trip or entertainment, including tickets to sporting events, without the employee's supervisor's prior approval;*
- *Paying or receiving kickbacks for obtaining business for or from Patriot;*
- *Misrepresenting or deceptively omitting material facts in connection with buying or selling real or personal property;*
- *Misrepresenting or deceptively omitting material facts relating to the sale of coal or billings to customers;*
- *Degrading Patriot's reputation through any other activities which are of similar questionable integrity;*
- *Willfully and/or knowingly engaging in coal trading activities/strategies or manipulating markets (a) when such conduct is illegal, or (b) for the purpose of artificially inflating profits for personal gain and not in the best interest of the Company.*

These guidelines are not intended to prevent Patriot from paying normal and reasonable commissions to its agents or from taking normal prompt payment discounts.

These guidelines also do not prohibit employees or agents from receiving inexpensive non-cash gifts or services which are acceptable under normal and customary social circumstances, so long as the gratuity is not a cash gift, is not excessive in value, cannot be construed as a bribe or payoff and does not violate any laws or regulations. In addition, the guidelines do not prohibit normal business entertainment and related expenses which are within Company guidelines and are incurred for the benefit of Patriot's customers and potential customers.

If any employee or agent is requested to make or accept a gift or payment that is prohibited or may appear to be prohibited under this Code, the request and all the surrounding circumstances should immediately be disclosed to his or her supervisor. If the appropriateness of any such request is uncertain, Counsel should be consulted for guidance.

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## 6. RELATIONS WITH GOVERNMENT OFFICIALS

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Patriot's success depends to a great degree upon its ability to build relationships with government officials based on honesty and integrity. No actions shall be taken by any Patriot employee which could undermine proper relationships or tarnish Patriot's reputation for integrity.

No funds, gifts or assets of Patriot shall be paid or given directly or indirectly to any government official or employee, to any enterprise owned or controlled by such persons, or to close relatives of such persons.

## A. U.S. GOVERNMENT OFFICIALS

Giving a gratuity or a bribe to a U.S. public official is a federal crime. A public official includes any employee of any department, agency or branch of the federal government, including members of Congress and their staffs. Bribery is the specific act of giving a gratuity and it does not require proof of specific intent to influence an official act. Conviction of the offense of bribery or the lesser offense of giving a gratuity is a felony which can result in fines and imprisonment. The Tennessee Valley Authority, a long-term customer, is a federal government agency.

Of special concern to some Patriot employees is purchasing food and refreshments for federal public officials during the course of a normal business luncheon, dinner or other meeting. Ethics rules of the U.S. Senate and House of Representatives restrict the ability of elected officials and their employees to accept reimbursement for meals, travel and lodging. As a general rule, regulations permit U.S. executive department officials to accept food and refreshments of nominal value on infrequent occasions in the ordinary course of a luncheon, dinner or other meeting, or on any inspection tour where a Company employee is properly in attendance.

When a Company employee is planning to meet with federal government executive or legislative officials under such circumstances, the applicable Counsel should be consulted for specific guidance.

## B. STATE AND LOCAL GOVERNMENT OFFICIALS

Most states have laws relating to bribery of state and local government officials and Patriot expects its employees to become familiar with and comply with such laws. Specific guidance on these laws will be issued from time to time, as necessary, by the

Counsel responsible for each state in which Patriot operates.

## C. FOREIGN GOVERNMENT OFFICIALS

The U.S. Foreign Corrupt Practices Act of 1977 imposes heavy penalties for giving, offering or promising anything of value to officials of governments in other countries in order to influence them. If you have any questions concerning giving, offering or promising anything of value, directly or indirectly, to foreign officials, consult the appropriate Counsel for advice before proceeding.

Patriot employees are strictly prohibited from giving, offering or promising anything of value to a government official to influence any official act or otherwise violate the law. Any knowledge of such conduct by Patriot employees must be reported immediately to the appropriate supervisor and Counsel.

Patriot employees must comply with all laws and regulations of the countries which have jurisdiction over Patriot's operations and activities.

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## 7. POLITICAL CONTRIBUTIONS

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No Patriot funds or assets will be loaned or contributed, either directly or indirectly, to any political party or organization, or to any individual who holds or is a candidate for public office, except when permitted by applicable law and pre-authorized by the General Counsel.

The following are examples of activities which are illegal under federal law and the laws of those states which prohibit corporate political contributions:

- *Contributions by an employee which are reimbursed through expense accounts or in other ways;*

- *Purchases by the Company of tickets for political dinners or fund-raising events;*
- *Contributions in kind, such as loaning employees to political parties or providing Company resources for use in political campaigns;*
- *Indirect contributions by Patriot through suppliers, customers or agents.*

Political contributions by corporations are permitted by the laws of some states and foreign countries. Such allowable contributions may include some of the activities mentioned above, but in all cases, they require prior authorization by the General Counsel and, when required by the law, by the appropriate Board of Directors.

The Company maintains a political action committee which at all times shall be operated in compliance with all applicable laws and regulations.

This policy is not intended to discourage or prevent an employee from engaging in political activities as an individual on his or her own time and at his or her own expense. It also does not prohibit the employee from making political contributions from personal funds or from expressing individual views with respect to legislative or political matters.

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## **8. FINANCIAL REPORTING AND RECORD-KEEPING**

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### **A. FINANCIAL REPORTING**

Patriot is committed to providing meaningful financial reports and other material information about our operations to our various stakeholders on a regular basis. In furtherance of this commitment, the Company will produce clear, timely and accurate financial statements and public reports that fully

comply with all laws and regulations. All financial statements filed with the Securities and Exchange Commission will be prepared on a consistent basis of accounting and in accordance with United States Generally Accepted Accounting Principles (GAAP). In addition, the Company will strive to make clear and concise disclosures that adhere to the Securities and Exchange Commission’s “plain English” principles.

The Company will endeavor to implement the necessary systems, procedures and controls to ensure that this policy is strictly adhered to. The Company is committed to establishing and maintaining an effective system of internal control over financial reporting that is properly documented and monitored for effectiveness. Our monitoring procedures include a multi-discipline “Disclosure Committee” that reviews the Company’s financial statements and certain public filings as directed by the Company’s Chief Executive Officer or Chief Financial Officer. The Company also conducts a comprehensive internal certification process designed to identify issues throughout the Company that might impact external reporting. These processes are designed (i) to assure that disclosure and internal control issues are identified and results are verified at multiple levels of the Company, and (ii) to provide necessary due diligence to support all required CEO and CFO certifications, with the overall goal of ensuring that the Company’s public reports contain clear, accurate and complete financial disclosures that comply with all applicable laws and regulations.

### **B. PROPER RECORDING OF FUNDS AND ASSETS**

Accurate record-keeping is essential to meeting the Company’s financial reporting objectives and is required by law. All Patriot funds, assets, commitments, receipts and disbursements shall be properly and consistently recorded on the Company’s books

in compliance with all applicable legal requirements, GAAP and Patriot's system of accounting and internal control over financial reporting. This includes funds received from the sale or disposal of any assets. No unrecorded funds or assets of any kind are to be maintained by any Patriot employee, subsidiary or affiliate.

To assure that Company policy is implemented, it is specifically understood that:

- *No funds, assets or accounts will be established or maintained for purposes which are not fully and accurately reflected on the books and records of Patriot.*
- *No funds or other assets will be received or disbursed without being fully and accurately reflected on the books and records of Patriot.*
- *No false or fictitious entries will be made on the books or records of Patriot and no false or misleading reports pertaining to Patriot or its operations will be issued.*

Any employee having concerns about or knowledge of any act or circumstance prohibited by this policy must immediately report the matter to Patriot's Chief Financial Officer and General Counsel.

### **C. RETENTION OF RECORDS AND COMMUNICATIONS**

Records should always be retained or destroyed in accordance with the Company's record retention policies and other Company directives, as appropriate.

Patriot's policy is that its records, correspondence and communications be accurate, professional and self-documenting. Employees should avoid exaggeration, derogatory remarks, speculation, or inappropriate characterizations of people and companies that may be inaccurate or misunderstood. This applies equally to e-mail, internal memos and formal reports.

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## **9. HARASSMENT**

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Patriot seeks to provide a work environment free from harassment based on sex, race, age, ethnicity, religion, military status, sexual orientation or any other protected class. Examples of acts which are prohibited include, but are not limited to, unsolicited remarks, gestures, physical contact or display or circulation of derogatory materials or pictures.

Patriot believes that all employees should be treated with dignity and respect and, therefore, maintains high standards for personal behavior in the workplace. In addition to legally prohibited acts of harassment, the Company will not tolerate any conduct by coworkers, supervisors or outside suppliers which is threatening, abusive or generally unwelcome.

Any person who feels that he or she has been a victim of harassment should promptly bring the problem to the attention of the General Counsel. Patriot will confidentially investigate all such allegations and will take appropriate corrective action up to and including the termination of an employee found to have engaged in harassment. Retaliation in any form against an employee who exercises his or her right to make a complaint under this Code is strictly prohibited and will itself be cause for disciplinary action.

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## **10. DRUGS AND ALCOHOL IN WORKPLACE**

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Patriot prohibits the use, consumption, possession, sale, distribution or transfer of mind or behavior altering substances, controlled substances or the possession of paraphernalia containing the residue of such substances in the workplace, including reporting to work, being on Company property or operating a Company vehicle while under the influence of alcohol or controlled substances. Patriot will vigorously enforce its policy on the use of drugs and alcohol in the workplace.

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## **11. FIREARMS, AMMUNITION, WEAPONS AND EXPLOSIVES**

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Patriot prohibits the possession, use, distribution or manufacture of firearms, ammunitions, weapons and explosives while on/in Company facilities, while conducting Company business and while in Company vehicles on or off Company facilities except where the employee is authorized by the U.S. Bureau of Alcohol, Tobacco & Firearms and the Company to possess, use or control explosives and explosive-related equipment on Company property for the sole purpose of conducting mining operations. Concealed firearms held under a valid license and weapons used for hunting are allowed in vehicles, provided the employee has obtained prior authorization from the highest level manager at that site, the vehicle remains locked while parked on Company lots and the items are not removed from the vehicle while parked at Company facilities.

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## **12. REPORTING OF CODE VIOLATIONS**

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Patriot's business and reputation depend, in large measure, on strict adherence to the provisions of this Code. All employees are encouraged and obligated to report any known or suspected Code violations to the employee's supervisor and the General Counsel. Except as qualified by the next sentence, no disciplinary action will be taken and Patriot will not tolerate any retaliation, against an employee making such a report in good faith and all information provided will be maintained in the strictest confidence. The reporting of a violation by an employee that implicates the reporting employee, either directly or indirectly, will not protect the reporting employee from disciplinary action by the Company for the violation, including the possibility of dismissal for cause.

Patriot's Board of Directors has established procedures for the receipt, retention and investigation of complaints regarding any accounting, internal accounting controls or auditing matters. Any employee who has a concern regarding questionable accounting or auditing matters should contact our General Counsel at (314) 275-3636.

Any employee who wishes to report a suspected code violation on an anonymous, confidential basis, may do so by: (a) calling 1-800-957-6388; or (b) sending an e-mail to [PatriotComplianceHotline@GetInTouch.com](mailto:PatriotComplianceHotline@GetInTouch.com).

## **13. PROTECTION AND PROPER USE OF COMPANY ASSETS**

### **A. USE OF COMPANY ASSETS**

All employees should endeavor to protect the Company's assets and ensure their efficient and professional use. Theft, carelessness and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Patriot equipment should not be used for non-company business, although incidental personal use may be permitted in limited situations.

The obligation of employees to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing, pricing and service plans, engineering and operating ideas, designs, databases, records, land and reserve information, salary information and any unpublished financial data and reports. Any unauthorized use or distribution of this information is a violation of Patriot policy. It could also be illegal and result in civil and criminal penalties.

### **B. USE OF COMPANY COMPUTERS, E-MAIL AND THE INTERNET**

Some employees are provided with personal computers and access to Patriot's computer networks to assist them in their jobs. Patriot recognizes the Internet is a valuable source of information enabling employees to perform their job duties, and provides Internet access through its network.

Patriot provides the computers, network, Internet access and, in some cases, portable hand held devices, to employees solely for business purposes. These computer resources are Patriot's property. Users should have no expectation of privacy as to information sent or received on Company computers or networks, including information received from Internet sites.

No employee may use any Patriot computer or portable hand held device at his or her employment location or elsewhere (a) to send or receive electronic mail which contains (or to visit Internet sites which feature) pornographic or sexually explicit material or messages derogatory toward any group of people based on race, ethnicity, national origin, or gender; or (b) to send electronic mail for the purpose of defaming, embarrassing or harassing any person.

All employees must refrain from posting comments regarding the Company's business on Internet message boards, chat rooms, social media sites, messaging vehicles and other interactive sites. This policy is intended to ensure the accuracy and consistency of messages and compliance with Federal securities laws, which prohibit the selective disclosure of material information. Should you have any questions regarding this policy or a particular communication, please contact the General Counsel.

Employees should bear in mind that their use of Patriot computer resources may reflect on Patriot's reputation and in some circumstances expose Patriot to possible legal liability. Supervisors may impose additional restrictions on their employees' use of Patriot computer resources as necessary to prevent inappropriate use.

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#### **14. CONFIDENTIALITY**

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Employees must maintain information entrusted to them by the Company or its customers and suppliers in confidence, except when disclosure is authorized by Counsel or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company, its employees or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us as well as employee health information and information subject to confidentiality agreements. The obligation to preserve confidential information continues even after employment ends.

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#### **15. AUDITS**

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Compliance with this Code may be monitored by periodic audits. These will be done under direction of Patriot's General Counsel. All Company employees are required to cooperate fully with such audits and to provide truthful and accurate information.

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#### **16. NONEXCLUSIVITY**

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This Code does not constitute a comprehensive, full or complete explanation of the laws which are applicable to the Company and its employees, and it does not contain all applicable policies and bases for discipline or discharge. Each employee has a continuing obligation to be familiar with applicable laws and all Patriot policies and procedures.

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#### **17. WAIVERS**

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Any change in or waiver of this Code for executive officers (including senior financial officers) or directors may be made only by the Board of Directors or a Board committee and will be promptly disclosed consistent with law or stock exchange regulation.

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#### **18. VIOLATIONS**

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A violation of this Code or a false or misleading answer or response to a questionnaire or Compliance Statement can result in disciplinary action against the employee up to and including termination. The Company may also be obligated to bring known violations of law to the attention of appropriate enforcement authorities.

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#### **19. AUTHORITY**

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This Code is part of a comprehensive internal control environment and has been most recently amended by the Patriot Board of Directors on January 30, 2013.

