

Version 2.0

1. **PURPOSE:**

To establish guidelines for detecting and reporting any defalcation, misappropriation or other irregularities inappropriate to the normal operation of Company business.

2. **POLICY/PROCEDURE:**

This policy applies to any defalcation, misappropriation or other irregularity, actual or suspected, involving employees of the Company, or employees of a customer, supplier, or other organization that does business with the Company or any of its affiliates.

A. **Definitions:**

The terms defalcation, misappropriation and other irregularities refer, but are not limited to, the following:

- Any dishonest or fraudulent act.
- Forgery or alteration of any document or account belonging to the Company or any affiliates.
- Forgery or alteration of a check, bank draft or any other financial document.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of Company activities.
- Disclosure to other persons or companies of current or contemplated Company activity.
- Accepting or seeking anything of more than nominal value from a customer or supplier without the advance approval of management, or giving a gift to a customer or supplier without management approval,

except for certain promotional "premiums" (such as T-shirts or coffee mugs).

- Destruction or disappearance of records, furniture, fixture or equipment.

B. Reporting Requirements

An employee, supervisor, manager or officer of the Company who discovers or suspects fraudulent activity should contact the CEO, COO, General Counsel, or Director of Human Resources of the Company immediately.

The responsibilities of the reporting individuals are as follows:

- Do not contact the suspected individual in an effort to determine the facts or demand restitution.
- Do not discuss the case, facts, suspicions or allegations with anyone outside the Company, unless specifically asked to do so by the CEO, COO or General Counsel of the Company.
- Do not discuss the case with anyone inside the Company other than the CEO, COO, General Counsel, or other individuals who have been designated to assist with the investigation.

The CEO, COO and/or General Counsel of the Company will coordinate all internal and external investigations and may obtain the assistance of outside legal counsel. If the investigation reveals evidence of fraudulent activities, the CEO, COO, General Counsel, or other designated individuals will issue reports to the proper authorities (police, insurance company, etc.).

Decisions to prosecute or to release information to appropriate law enforcement or regulatory agencies for independent investigation will be made in conjunction with outside legal counsel by the CEO, COO and/or General Counsel.