



**CODE OF BUSINESS ETHICS AND CONDUCT
FOR THE GENERAL WORKFORCE**
(v.01.06.2022)

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A Message from our Chief Executive Officer

Dear Esteemed COBEAL Team,

As we embark on the journey into the year 2022, it is my profound honor to serve as the Chief Executive Officer of COBEAL. I eagerly anticipate the privilege of guiding The COBEAL Group towards reaching its zenith, positioning COBEAL as the paragon of excellence.

Our bedrock values, "Integrity," "Respect," "Trust," "Quality," and "Accountability," serve as the very soul of our organization, shaping our identity and governing our modus operandi. I am resolutely committed to cultivating a culture at COBEAL that is anchored in unwavering ethics, profound respect, and a resounding positivity. I wholeheartedly rely on each of you for your steadfast support and invaluable feedback on this transformative journey.

It is my fervent aspiration that COBEAL becomes an environment where every member of our team feels deeply valued and assured that their voices are heard. Whether you wish to engage in candid conversations with your supervisors, our diligent Corporate Counsel ("CC"), or myself, know that the avenues of communication are ever open. In circumstances where more anonymity is preferred, our Ethics Helpline at Compliance@Cobeal.com stands as an unwavering bastion. In an ecosystem nurtured by mutual trust and respect, the possibilities for COBEAL's future achievements are boundless.

Today, we are enhancing COBEAL's Code of Business Ethics and Conduct ("Code") in response to invaluable insights we have received from you, our esteemed team members, and our trusted Professional Service Providers. It is our ardent hope that you find this updated Code to be not just accessible and pragmatic but also a source of inspiration.

Our Code delineates the expectations COBEAL holds for each one of us in our daily endeavors on behalf of the organization. I urge you to meticulously peruse the Code and grasp the profound significance of each principle it embodies. Should you encounter queries or seek clarification, please do not hesitate to seek guidance. Furthermore, we are committed to providing ongoing

training to ensure that these principles remain firmly etched in your consciousness and guide our collective commitment to upholding the Code.

I extend my deepest gratitude for your unwavering dedication to upholding ethical standards and pursuing excellence unfailingly. Your collective efforts foster an environment that makes COBEAL an exceptional place to work and craft a flourishing career.

I entrust each one of you with the responsibility of making ethics and integrity your daily compass, unwavering and resolute, never to be compromised. My door remains perpetually open, a symbol of my unwavering commitment to fostering a culture of transparency and trust.

With the highest regard,

Sophy M. Laughing, Ph.D., MBA

CEO, COBEAL





Core Objectives: Our Commitment to Ethical Excellence

At COBEAL, we are dedicated to upholding the highest standards of business ethics in everything we do. Our Code of Business Ethics and Conduct, or simply our "Code," serves as our guide to ensure that we conduct business consistently with applicable laws, regulations, and the unwavering principles of ethics. This commitment isn't just a box to check; it's about the essence of who we are and how we operate.

This Code isn't just for certain individuals; it applies to anyone representing COBEAL. Whether you're an officer, employee, agent, subcontractor, professional service provider, representative, or supplier, you play a vital role in upholding our ethical standards. Every individual is expected to adhere rigorously to all relevant federal, state, local, and foreign laws and regulations as outlined in this Code.

Our dedication goes beyond mere compliance with laws and regulations. In every action we take, we aspire to reach the highest levels of integrity and ethics. This applies not only to how we interact within our team but also to our dealings with customers, the public, and the government agencies we serve. We each have a responsibility to consistently act with honesty and integrity, reflecting behavior of which we can be genuinely proud.

While this Code provides a solid foundation for our ethical principles, we have also developed detailed compliance policies to further guide our actions. These policies, including the Government Contracting Compliance Policy, Non-Retaliation Policy, and Investigations Policy, complement the guidance set forth in the COBEAL Associate Handbook. They don't replace the Handbook but instead, provide additional context and specific guidance to help you navigate ethical challenges.

Our Code aims to address common ethical issues that you're likely to encounter, but it doesn't attempt to cover every potential scenario. It is intentionally broad in scope and not exhaustive. Laws and regulations in our business landscape can change, so it's crucial to consult the original legal sources when specific issues arise. The summaries provided here are meant to sensitize you to potential concerns.

The Code is designed to fulfill COBEAL's responsibility to comply fully with both the spirit and letter of Federal Acquisition Regulation (FAR) 52.203-13 Contractor Code of Business Ethics and Conduct.

If you ever have questions related to ethics or compliance, feel uneasy about a situation, or need clarification on whether an action aligns with our ethical standards, please don't hesitate to reach out. You have various resources at your disposal, including your Supervisor, the Corporate Counsel ("CC"), the Chief Technology Officer ("CTO"), and the Chief Executive Officer ("CEO"). For those who prefer anonymity, our Ethics Helpline at Compliance@Cobeal.com is also available for reporting concerns.

Thank you for joining us in upholding the principles of ethics and integrity that define COBEAL's character and culture. Together, we create an environment of ethical excellence.



COBEAL's Ethics Program

OUR CORE VALUES

We are committed to continuous improvement, personal development, and upholding our Core Values. This requires all of us to work together to create a culture of honesty, responsibility, and accountability. Each of us at the end of our working day should feel proud of what we have accomplished and the way we accomplished it. COBEAL will be a leader in every aspect of our business. Our passion at COBEAL not only drives us to make a significant impact on our customers but also on the lives and careers of our people and the well-being of the communities in which we work and live.

We share the responsibility of making our Core Values a central part of our everyday business activities so that our stellar reputation is maintained. You are expected to embrace these values and allow them to guide each decision you make on behalf of the Company. We are confident that our trust in you is well-placed. COBEAL will do everything it its power to live by these standards.

- ⇒ **INTEGRITY.** We do our utmost to keep our customer commitments while applying honest, moral, and fair principles in our daily actions. It is our duty to represent the truth and reflect COBEAL's Code of Business Ethics and Conduct.
- ⇒ **RESPECT.** We relay respect by treating others openly, honestly, and with dignity. We must hold in high regard our diversity, our individual skills, and our individual experiences that blend to make a healthy and respectful environment.

- ⇒ **TRUST.** Earning mutual trust by doing what is right and taking ownership of our actions. We do this by being honest and fair with not only our customers but our fellow associates.
- ⇒ **QUALITY.** Our objective is continuous quality improvement in all that we do so that we maintain our customer’s confidence in our abilities to provide them with the highest quality of engineering, design, manufacturing, and construction services.
- ⇒ **ACCOUNTABILITY.** Our growth and success are determined by being able to hold ourselves accountable as we work towards keeping our internal and external customer commitments.

Competitive challenges within the workspace place pressure on all of us. This pressure to succeed can never be an excuse for making decisions that would compromise our Core Values. Our teaming partners and clients expect and deserve nothing less than the highest level of ethical business practices from every representative at COBEAL. We take pride in our ability to accomplish greatness without compromising our Core Values.

You are expected to embrace these values and allow them to guide each decision you make on behalf of the Company. We are confident that our trust in you is well placed.



Role of the Corporate Counsel (“CC”)

Every representative of the Company has an independent obligation to conduct themselves in a manner that is consistent with the Company’s Core Values and governing laws and regulations. To ensure that representatives have a “go-to” person to raise all ethics and compliance-related

questions or concerns, the Company has appointed a CC to serve as the principal point of contact for questions concerning our Ethics Program.

The CC reports directly to the Board of Directors, CEO, CTO, and leads the daily operations of the Ethics and Compliance Program. The CC and the Site Safety Health Officer (SSHO) ensure that all representatives understand the Company's expectations regarding ethics and compliance, receive adequate training to enable them to adhere to such expectations, and can effectively and safely raise concerns without fear of retaliation. The role and responsibilities of the CC are set forth in COBEAL's Charter for the Role of the Corporate Counsel.

At present time, COBEAL's CC is **Paula Pellicer** who can be reached at PPellicer@Cobeal.com and (55) 1331-6600.

Q. *I have a concern about another individual's conduct but am not certain if what I observed is an ethical issue or a human resource issue. Should I report my concern to the CC or the human resources department?*

A. Don't worry about what type of issue it is, just report it to either the CC or HR and COBEAL will route it to the appropriate person.

Ethics Helpline Policies and Procedures

While we hope that you always feel comfortable raising concerns or questions directly with your Supervisor, the CC, the CTO, or the CEO, COBEAL has provided you with a mechanism by which to report concerns to the Board of Directors of COBEAL.

COBEAL's Board of Directors administers the ethics entirely separate and independent from COBEAL's Corporate Leadership.

When you contact the Ethics Helpline:

- ⇒ You will be treated with dignity and respect.
- ⇒ Your concerns will be addressed, and you will be afforded the opportunity to monitor the outcome of your report.
- ⇒ If you prefer to remain anonymous and send a letter to COBEAL Compliance instead of an electronic communication, your identity will not be available to the Board of Directors or the Company. If you disclose your name but request that it be maintained in confidence, your confidentiality will be maintained to the greatest extent possible unless disclosure is required by law.
- ⇒ You are not at risk of retaliation for using the Ethics Helpline. People in a position of authority are subject to disciplinary action up to and including termination of employment if they try to coerce you or prevent you from using the Ethics Helpline or retaliate against you.

How To Contact the Ethics Helpline

To use the Ethics Helpline, you have several options, including:

- ⇒ Telephone at **+1 (916) 975-2650** (English Speaking) and **+52 (777) 420-2408** (Spanish speaking);
- ⇒ E-mail at **Compliance@Cobeal.com**;
- ⇒ Physical Letter at COBEAL COMPLIANCE | 1420 E. Roseville Parkway, Suite 140-144 | Roseville, California 95661 – USA.

Posters displaying this helpline information are also displayed in the Company's facilities.

After a report is made, the Company will receive a copy, which will enable it to investigate the matter and, where appropriate, to take corrective action to mitigate against reoccurrence. In certain instances, COBEAL may have an obligation to disclose the matter to the government as discussed herein.

Q. *I just made a report using the Ethics Helpline. Can I track the progress of the Company's investigation into my report?*

A. Yes. When you make a report, COBEAL Compliance will provide you with instructions on how to track the progress of the Company’s investigation.



Ethics, Business Integrity & Ethical Dilemmas

What does it mean to be ethical and to act with business integrity?

- “Ethics” is defined as “rules of behavior based on ideas about what is morally good and bad.”
- “Integrity” is defined as “strict adherence to a moral code, reflected in transparent honesty and complete harmony in what one thinks, says, and does.”
- “Ethical” is often associated with ***“doing what’s right even when no one is looking.”***

Let’s keep things simple at COBEAL and agree to always do the right thing, even when no one is looking. If you follow this principle, you will stay on the right side of ethics.

At some point in your career, you may face an ethical challenge or dilemma at work. This may be a situation where the right course of action is not entirely clear or a situation where you are being asked to do something that makes you feel uncomfortable, even if you cannot articulate the reason you are concerned. There is no instruction manual for handling these situations, but there are some questions that you should ask before you act:

- ⇒ **Am I the right person to make this decision or take this action?** Each day, you can take actions potentially affecting all COBEAL’s representatives and their families. Your choices have consequences. Before deciding or acting, you must ensure that you are indeed the right person to do so.
- ⇒ **Are there any rules governing this decision?** Especially in a highly regulated industry such as government contracting, rules can be complex. Make sure that you understand the rules or inquire with the people who do before deciding how to act. You are not expected to know all the answers – you are only expected to raise a question when something does not seem right.
- ⇒ **Am I acting honestly, transparently, and with business integrity?** Even if the action you intend to take does not violate any laws, regulations, or contract requirements, are you acting honestly, transparently and with business integrity?
- ⇒ **Is my decision consistent with COBEAL’s Core Values?** Use COBEAL’s Core Values to guide your decision-making. If a potential solution conflicts with our Core Values, you have your answer.
- ⇒ **Even though I might mean well, how would this look to someone who doesn’t know me, to my children, parents, or in the newspaper** (i.e., are there any appearance issues associated with your decision)? Often, the wrong thing is done for the right reasons. Regardless of the pressures that you are facing, a bad decision cannot be undone. Take the time to examine the situation objectively; if you cannot, contact one of our resources who can help you do so.
- ⇒ **Am I afraid of contacting someone about my concerns?** When ethical issues arise, especially those involving the conduct of others, reaching out can be difficult. You might wonder what would happen if you were wrong or how your choice might affect the other person involved. Think about how you would feel if you ultimately learned that your concerns were justified, and you did nothing.

COBEAL supports you. Many resources are available to you to help you reach a decision that you can not only live with but can also take pride in. Remember that we encourage you to ask questions and raise concerns, and our non-retaliation policy protects you when you do so.



Reporting Obligations

As a representative or supplier of the Company, you are obligated to bring any issue concerning a suspected violation of the Code, law, or regulations to the immediate attention of the Company, either through your Supervisor, the CC, the President, the CTO, the CEO, or the Ethics Helpline.

Q. *Belano and Maria work together on a COBEAL construction site. One evening, Maria sees Belano carrying tools from the storage area out to Belano's truck. Belano places the tools in the truck and drives away. Should Maria report her observation?*

A. Yes, Maria should immediately report the observation using one of the reporting channels available to her, including her Supervisor, the CC, the President, the CTO, the CEO, or the Ethics Helpline. Failure to report this observation would violate Maria's obligation to report suspected ethics violations.

Q. *I'm not certain if what I observed is an ethical issue, but it doesn't feel right. What should I do?*

A. If you see something that troubles or concerns you, report it using any of the reporting channels. COBEAL wants you to do so!

Non-Retaliation Policy

COBEAL will not retaliate against an individual who reports known or suspected violations of the law, regulation, or this Code. In fact, COBEAL prohibits retaliation against an individual who reports known or suspected violations. Additionally, no adverse action of any kind will be taken against an individual for making a report where the report is done in good faith. Our commitment to non-retaliation assures you that in posing any question, raising any concern, reporting suspected misconduct, or cooperating in any investigation, you will not suffer negative consequences for doing so. Anyone who violates this non-retaliation policy is subject to discipline. *See Non-Retaliation Policy.*

However, in raising any question or reporting any concern, or cooperating with any investigation, you must act in good faith. This does not mean that you need to be right, nor does it mean that your question or concern must have substantial facts to support it. It only means that you are prohibited from intentionally submitting inaccurate, misleading, or false information. Making an intentionally inaccurate, misleading, or false report is subject to disciplinary consequences.

In addition, the Company complies with all statutory and regulatory requirements related to reporting concerns about a government contract, including certain instances of reporting such information to the government.

Q. *If I report a concern and it turns out to be incorrect, can I be disciplined?*

A. No. Many reports of suspected misconduct turn out to be incorrect because the reporting party does not have all the information. COBEAL expects that reporters may not have all the information when making a report, but if you report a concern in good faith, you will not be disciplined if your concern is incorrect. The only time you would face discipline for reporting an issue is if you make an intentionally inaccurate, misleading, or false report.

Q. *I want to report a concern about my Supervisor, but I am worried that he/she will retaliate against me if he/she finds out. What should I do?*

A. You should report your concern to the CC, the President, the CTO, the CEO, or the Ethics Helpline. The Company has adopted a policy that prohibits retaliation and includes discipline (up to and including termination of employment) for those found to have engaged in retaliatory behavior.

Q. *I feel that I have been retaliated against. What can I do?*

A. The COBEAL Code of Conduct and the Non-Retaliation Policy clearly state that retaliation against representatives who come forward and raise concerns in good faith will not be tolerated. If an employee feels he or she has been retaliated against, there are several reporting channels available, including your Supervisor, the CC, the President, the CTO, the CEO, or the Ethics Helpline.

Compliance with Government Contracting Laws

Our work for the United States government, including our contracts and subcontracts, impose unique requirements of which we must be aware and to which we must adhere. The Company provides periodic training to ensure you are sensitized to the most common issues you may encounter. You have a responsibility to comply with all applicable laws, regulations, and contract requirements. Accordingly, it is your responsibility to be familiar with the laws and regulations applicable to your job responsibilities, as well as applicable contract clauses that are incorporated into our contracts and subcontracts by reference, and to seek guidance and instruction whenever questions arise. *See Government Contracting Compliance Policy.*

Compliance with Our Government Contracts and Subcontracts

It is COBEAL's policy to adhere strictly to the requirements of our contracts. COBEAL is committed to delivering quality products and services that meet all contractual obligations and quality standards. To achieve this objective, it is mandatory that representatives understand the

requirements of the contracts on which they are working. Supervisors must ensure that their subordinates understand the requirements and are complying fully. Such contract requirements include, but are not limited to, technical requirements, testing and inspection requirements, including first article testing requirements, engineering, calculus, design, adherence to delivery schedules, packaging requirements, and billing requirements, among other applicable requirements.

We value our relationships with customers and believe adherence to the following principles will ensure our customer relationships remain strong for years to come:

- ⇒ When we enter a contract, we do so to comply with each requirement.
- ⇒ We do not enter contracts that contain ambiguous terms or requirements, terms we do not understand, or terms we cannot fulfill.
- ⇒ Where the contract is ambiguous on a particular requirement, and we identify this ambiguity post-award, we will notify the customer promptly, propose a solution, and seek input from the customer. We will ensure that any resolution is memorialized clearly and unmistakably.
- ⇒ We will maintain open lines of communication with our customers and keep them apprised of developments where appropriate.
- ⇒ In the event unexpected delays are encountered, we will notify our customer promptly and work diligently to minimize, if not eliminate, the impact of the delay.
- ⇒ Where we are asked to do something outside the terms of the contract, we will insist on a formal contract modification from a Government Contracting Officer. It is critical to maintain a written agreement that mirrors the parties' agreement.

When we follow these principles, we can be confident that our customers will continue to use us in the future. Each contract we receive is another opportunity to further develop and strengthen an existing relationship.



Accurate Representations & Certifications

All individuals acting on behalf of COBEAL are required to make accurate representations and certifications on its behalf, including in oral and written communications. This requirement extends to both affirmative representations and certifications as well as to implicit representations and certifications. Every time a representative stamps, initials, or signs a document, he or she is approving of the representations contained within the document and independently representing that the statements are accurate. It is a breach of this Code to make any misrepresentations or false statements to any customer, subcontractor, individual or entity you encounter in your dealings on behalf of COBEAL. Furthermore, such misrepresentation or false statements constitute a violation of federal law if the ultimate customer is a government entity.

Q. *My superior asked me to sign a certification for a project that I did not work on and know nothing about. What should I do?*

A. You should not sign the certification. You should inform your Supervisor that you do not have the required information to make the certification. If your Supervisor continues to insist that you sign the certification, you should immediately report the issue using one of the reporting channels available to you, including to the CC, the President, the CTO, the CEO, or the Ethics Helpline.

Complete and Accurate Records

All COBEAL's records must be complete, accurate, and reliable in all material respects. Undisclosed or unrecorded funds, payments, or receipts are inconsistent with our business

practices and are prohibited. All business and financial transactions must be executed in accordance with applicable law and Company policies and procedures. No one should even consider misrepresenting facts or falsifying records of any type or even attempt to rationalize doing so. Such actions are illegal, will not be tolerated, and will result in disciplinary action up to and including termination of employment. You are responsible for understanding and complying with our record keeping policy.

Time Recording & Cost Charging

The integrity of COBEAL's timekeeping system is essential to the success of the Company. Timely and accurate completion of time sheets is an essential component of every representative's work with COBEAL.

Every representative must record their time accurately, completely, and in a timely manner. Time mischarging, even if unintentional and inadvertent, is serious and could expose the individual and the Company to contractual, civil, criminal, and administrative liability, including suspension and debarment. Over-reporting, under-reporting, or misstating time and other entries on a report – even time devoted to non-billable activities such as marketing, proposal, or administrative work – may result in mischarging labor costs to clients.

Any allocation of costs to a government contract or subcontract contrary to the contract provisions or related laws and regulations is improper. Such improper allocation includes, but is not limited to, charging allowable costs, the improper execution of individual timecards, charging time to one contract when it should be charged to another contract(s), charging unsupported overhead costs, incorrectly or inaccurately classifying costs, shifting costs between contracts, or inaccurately representing costs on payment vouchers or progress billing invoices. It is critical that each statement and amount contained on a Company invoice be 100 percent accurate.

Q. *My superior asked me to charge my time in an incorrect charge number. What should I do?*

A. Make sure that your Supervisor knows what you're really working on. If your Supervisor insists that you change your time to an incorrect account or number, immediately report the issue using one of the reporting channels available to you, including the CC, President, CTO, CEO, or the Ethics Helpline.

Q. *Jose works at a Cobeal construction site. He observes Monica, who also works on the construction site, clock in and then walk away from the construction area. Jose is concerned because the work Monica signed into complete is not being completed. Jose looks for Monica and sees her on her cell phone. 30 minutes later Monica is still on her cell phone. Should Jose report his observation?*

A. Yes, Jose should immediately report the observation using one of the reporting channels available to him, indicating to his Supervisor, the CC, the President, the CTO, the CEO, or the Ethics Helpline. Failure to report this observation would violate Jose's obligation to report suspected ethics violations.

Billing & Invoicing

Prior to issuing an invoice to a customer, including a government customer or a prime contractor under a government contract, it is imperative that the responsible individuals review and evaluate each entry on the invoice to ensure the billing is wholly consistent and compliant with the Company's contractual, legal, and regulatory obligations under the contract. All entries appearing on an invoice must clearly and precisely identify the nature of the supplies provided, the work performed, and the costs associated with the supplies and work. The customer should never have to guess as to what services or supplies are included in a particular entry. Such transparent and explicit billing ensures that our customers are fully aware of the work and costs underlying the invoice and, in the highly unusual instance that a mistake is made, such a practice affords the customer the opportunity to raise questions or concerns in a timely fashion before the mistake has reoccurred multiple times.

Q. *While preparing a client's invoice I realized that the time billed on a particular project was inaccurate. I discussed this discovery with my Supervisor, but he says that it's too late to submit a change and that he'll just charge the client less next month so it all evens out. What should I do?*

A. You should report your concerns to your Supervisor, the CC, the President, the CTO, the CEO, or the Ethics Helpline. It is never acceptable to knowingly submit or leave unresolved an inaccurate invoice. Doing so could lead to significant civil, criminal, or administrative penalties for the Company.

Avoiding Conflicts of Interest or Even the Appearance of a Conflict

A personal conflict of interest occurs whenever the private interests or relationships of an individual interfere or appear to interfere with COBEAL's interests. Avoid any relationship, influence, or activity that might impair, or even appear to impair, your ability to make objective and fair decisions when performing your role on behalf of COBEAL.

Although it is virtually impossible to list every circumstance that may create the appearance of a conflict of interest, here are some other ways a conflict could arise:

- Employment/consultancy with a competitor, supplier or customer while employed by your company.
- Acceptance of gifts, payment, or services from suppliers seeking to do business with your company.
- Placement of business with a firm owned or controlled by your family.
- Ownership of, or substantial interest in, a company that is a competitor, customer, or a supplier.

Apparent conflicts of interest can arise easily. If you feel you may have a conflict situation, actual or potential, you shall report all pertinent details to the CC, President, the CTO, or the CEO.

Q. *You've become good friends with one of COBEAL's long-standing suppliers. Your kids are also good friends and you're thinking about going on a family vacation together. Would this create a conflict of interest?*

A. Given the appearance of a potential conflict, you should talk to your Supervisor about the situation. Indeed, even if you truly think you can separate your personal friendship and your business relationship, others may look at this relationship differently and jump to the conclusion that you will favor this supplier in future business dealings with COBEAL. For that reason, you probably should not be involved in business decisions concerning this supplier or all decisions should undergo a separate review and approval process.

Q. *A supplier invites you to attend a trade show as his guest and offers to pay for your hotel and airfare. Can you accept?*

A. No. The supplier's offer must be declined because the complimentary travel and conference fees could create the potential for a conflict of interest or appearance of one, including a potential kickback. COBEAL may still desire for you to attend the event but at COBEAL's cost. Any offers like these should be referred to your supervisor.

Gift Policy – Giving or Accepting Items of Value

A “gift,” for purposes of this Code, is defined broadly as **anything of value** exchanged without payment of fair compensation for the item or service. While sometimes gifts are okay to give or receive, depending on the value of the gift and the parties involved, other times, the gift can constitute improper gifts, illegal gratuities, or bribery. Below is an overview of these issues.

It is improper to give, solicit, or receive any item of value from customers, vendors, subcontractors, suppliers, or competitors or to any public official **to receive favorable treatment** in connection with a prime contract or subcontract relating to a prime contract with the U.S. Government. Additionally, accepting or giving any item of value, **even if not done to receive favorable**, may be a violation of law and/or raise **appearances of impropriety** and questions to COBEAL's business ethics. It is imperative that all individuals guard against creating even an appearance of impropriety. Because of the sensitivities associated with gifts, the Company has devised the following policies depending on the parties involved.

Gifts to U.S. Government Officials

Federal criminal and regulatory laws prohibit entertaining, and the offer, promise or gift of anything of value to an employee, agent, or official of the federal government **with an intent to influence** such individual in the performance of an official act, or for (because of) an official act performed or to be performed by the public official. Several state and lesser governmental bodies as well as foreign governments have similar statutes or regulations. In addition, the Foreign Corrupt Practices Act, a federal criminal statute, makes it illegal to offer, pay or promise money or anything of value to any foreign government official, political party or candidate for political office, (or to anyone else who might turn over money or anything of value to such a person or political party) for the purpose of directly or indirectly obtaining or retaining business.

COBEAL's policy is that nothing should be done that may give even an appearance of improperly influencing a government official, whether here in the United States or abroad. The consequences of violating these criminal statutes can be severe for both the Company and the individual involved. Under applicable law, any item of value offered or given to an employee of the U.S. Government, where no consideration of equal or greater value is received, might be an improper gift, an illegal gratuity, or a bribe. The items or services involved can take almost any form. Federal officials are governed by certain gift rules, which generally prohibit them from accepting gifts. Federal government employees are permitted to accept certain unsolicited items such as:

- ⇒ Gifts with a **market value of \$20 or less per occasion**, aggregating **no more than \$50 in a calendar year** from any single source.
- ⇒ Inconsequential items of a nominal value if offered infrequently (i.e., coffee, cookies, chips, pastries, soda, juice, etc.).
- ⇒ Publicly available discounts and commercial loans.
- ⇒ Free attendance at certain widely attended gatherings, such as conferences and receptions, when the cost of attendance is borne by the sponsor of the event.

COBEAL may be contractually obligated to host Partnering Meetings where COBEAL is bearing the expense of the Partnering Facilitator as well as food, refreshments, and meal-related services for key stakeholders. The costs for these events should be reviewed directly with COBEAL's government client to ensure compliance with this policy.

While government officials are permitted to accept gifts of \$20 or less per occasion, which could include meals, engaging in the practice of providing gifts, despite cultural norms, risks creating the appearance of impropriety in the contractor-government relationships. To avoid creating even the appearance of impropriety, individuals are prohibited from offering or giving **anything of value to any government official except for:**

- ⇒ Modest refreshments when the official is visiting COBEAL's offices, and the official would not be able to purchase refreshments otherwise. Modest refreshments are limited to coffee, soft drinks, and light snacks (i.e., a piece of fruit, cookie, donut) and
- ⇒ Advertising or promotional items bearing COBEAL's name (e.g., a paperweight, keychain, tote bag, or coffee mug, with a clear market value of \$20 or less per occasion, not to exceed \$50 per calendar year).

Accordingly, if your interaction with a government employee may include something more than modest refreshments, be sure to make it clear at the outset that you expect the government employee to pay his or her own way.

Q. *You have become friendly with a government contracting officer whom you met as a result of COBEAL's work with the official's agency. Can you offer to take the official out to a basketball game or to a national monument?*

A. No. Even though your intentions may be innocent, the offer of a ticket to a sporting event or national monument would likely exceed the \$20/\$50 gift rule. Even if the ticket value is below \$20, COBEAL does not wish for you to do so because such creates the appearance of a conflict of interest even if one does not exist. If you develop a friendship with a government official, you may attend sporting events so long as everyone pays his/her own costs, and you disclose such to the Company.

Q. *You just completed giving a government official a tour of COBEAL's facilities and you desire to have a cup of coffee. May you offer some coffee to the government customer?*

A. Yes. COBEAL authorizes individuals to offer government customers, when they are on-site at COBEAL's facilities, modest non-alcoholic refreshments so long as they are below \$20 in value, including water, coffee, juice, soda, etc.

Q. *Following a trade show, you go out to dinner in a group with government officials. May you pick up the tab for the group?*

A. No. While the gift rules allow gifts up to \$20 per occasion (no more than \$50 per year), COBEAL does not wish to engage in such activities as it concerns government customers as the gift could create the appearance of a conflict of interest.

Gifts to Commercial Parties

The strict gift rules pertaining to U.S. Government officials are not applicable to commercial customers, but COBEAL always seeks to win business based on quality, price, excellent service,

and fair contract terms and conditions. COBEAL expects all individuals to exercise moderation and prudent judgment in offering and accepting gifts from commercial customers and commercial suppliers, including samples and swag. COBEAL's policy as it relates to giving gifts to and accepting gifts from commercial customers is that the total value of the gift must not exceed \$100 per person, unless approved in advance, in writing, by the CEO.

Q. *At a recent trade conference, you placed your COBEAL business card (physical or virtual) into a company's raffle and won an Apple Watch. If COBEAL does not currently work with this company, can you keep the Apple Watch?*

A. Yes. You are permitted to accept the Apple Watch if the raffle was open to all attendees at the conference. However, in such situations, it is best practices to speak with your manager and the CC to ensure that accepting such a gift could not reasonably be construed as an attempt by the offering party to secure favorable treatment with COBEAL down the road.

Bribery & Illegal Gratuities

It is improper to give or accept bribes and illegal gratuities. Bribery refers to a situation where an individual or company corruptly gives or offers anything of value to a public official with the specific intent to influence an official act or induce the public official to commit some fraud or violate an official duty. In the bribery context, the gift is viewed as a "*quid pro quo*" for the official action taken by the government official.

As a practical matter, the illegal gratuities statute prohibits all gifts to public officials made as a reward for an act that they would perform anyway. Oftentimes even permissible gifts create the appearance of an illegal gratuity, COBEAL prohibits all individuals from providing gifts to government officials.

Q. *A military contracting officer approaches you and suggests that he could use some extra money and inquires into whether COBEAL needs any inside information. What should you do?*

A. You should contact the CC immediately. The official’s statement suggests that he or she is looking for a bribe.

Kickbacks

COBEAL is committed to ensuring that all transactions and business dealings with its prime contractors, subcontractors, certified installers, and suppliers are conducted in compliance with the provisions of the Anti-Kickback Act. The Anti-Kickback Act prohibits prime contractors and subcontractors from offering, soliciting, providing, or accepting **anything of value** for the purpose of obtaining or rewarding favorable treatment in connection with the award of government prime contracts and subcontracts.

A “kickback” includes anything of value, including any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind that is provided, directly or indirectly, to any prime contractor, prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a government prime contract or subcontract.

COBEAL deals fairly and honestly with its suppliers and its prime contractor customers. This means that our relationships are based on price, quality, service, and reputation, among other factors. Individuals dealing with suppliers should carefully guard their objectivity. Specifically, no individual should accept or solicit any personal benefit from a supplier or potential supplier. Similarly, no individual should offer or provide any personal benefit to a prime contractor customer.

It is COBEAL’s policy that:

- ⇒ Individuals must never pay, offer, or give a kickback to receive a contract or subcontract.
- ⇒ Individuals must never solicit or receive a kickback from any party seeking a contract.

- ⇒ Individuals must never include, directly or indirectly, the amount of any kickback: (i) in the contract price charged by COBEAL’s subcontractor to COBEAL; or (ii) in the contract price charged by COBEAL to the government or to a prime contractor, or to any higher-tier contractor with whom we work.
- ⇒ Any individual, who offers, provides, solicits, accepts, or discusses offering or accepting a kickback will face prompt disciplinary action.

Under the Anti-Kickback Act of 1986 (41 U.S.C. §§ 51-58) and FAR 52.203-7, COBEAL has an affirmative disclosure obligation to the Government where it has “reasonable grounds to believe” that a violation of the Anti-Kickback Act may have occurred. Should you suspect that a kickback or attempted kickback has occurred, you must report it immediately to the Company so the Company can investigate the matter and determine whether it has any mandatory reporting obligations.

Q. *A key prime contractor’s procurement manager tells you that other suppliers have “donated money” to send her and her significant other to Paris to celebrate their wedding anniversary. She asks you whether COBEAL is willing to contribute \$1,000 to help fund her trip. What should you do?*

A. Neither you nor COBEAL should contribute money to the procurement manager’s trip. Making such a payment could be construed as an attempt by COBEAL to secure favorable treatment in connection with the customer’s government contract, any contribution by COBEAL would likely be considered an impermissible kickback. You should therefore immediately report the matter to your Supervisor or to the CC.

Mandatory Disclosures to the Government

FAR 52.203-13 Contractor Code of Business Ethics and Conduct: The Company, through its counsel, will make timely disclosures, in writing, to the appropriate government officials,

including where applicable to the appropriate Office of the Inspector General and/or Contracting Officer(s), whenever, in connection with the award, performance, or closeout of any government contract or subcontract performed by the Company, the Company has “credible evidence” that a principal, employee, agent, or subcontractor of the Company or key stakeholder has committed a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 U.S.C. or a violation of the civil False Claims Act (31 U.S.C. §§ 3729-3733). The Company similarly will disclose to the agency Contracting Officer credible evidence of any “significant overpayment.”

Cooperation with Internal Investigations and Government Investigations

COBEAL employees and representatives must be truthful and honest and cooperate with internal investigations and government investigations into the Company’s business. Employees must preserve all documents, data, and other materials related to any matter subject to investigation, audit, or review. It is COBEAL’s policy to cooperate with any reasonable and lawful request by federal, state, and municipal government investigators seeking information concerning COBEAL’s operations for law enforcement purposes. At the same time, COBEAL and its employees and representatives are entitled to the safeguards provided by law, including the representation of counsel. Therefore, if you are contacted by any authority, notify the CC, the President, the CTO, and the CEO immediately.

Q. *As part of an internal COBEAL investigation, I was asked about a specific event. I have relevant information about a related issue but I don’t want to get anyone in trouble, should I disclose it to the investigator?*

A. Yes. If you have information that you believe might be relevant to the investigation, you must provide it, even if the question was not specifically asked.

Violations of the Code of Conduct

Any individual who violates any part of this Code, governing laws, or government regulations may be subject to disciplinary action in the form of oral reprimand, written reprimand, suspension, termination, and/or other legal remedies available to COBEAL. The previous list is not all-inclusive, as the nature and seriousness of the violation may warrant other disciplinary or reporting actions. COBEAL reserves the right to take whatever disciplinary action it deems appropriate. Additionally, violations of this Code, governing laws, or regulations may require disclosure to the government, which may also act including, but not limited to, criminal, civil, or administrative action, including suspension or debarment from government contracting.

The Code of Business Ethics and Conduct Acknowledgment & Annual Certification

The purpose of the Code is to ensure individuals are aware of the general legal and ethical principles governing COBEAL's business and, where a potential issue arises or where they have concerns, to report such matters to the appropriate COBEAL personnel. COBEAL asks that all individuals sign the below acknowledgment indicating that they have received and read the Code, generally understand the principles and concepts discussed in the Code and agree to comply with the Code. Individuals are required to periodically review the Code, at least once annually, and to acknowledge and re-certify annually, their commitment to comply. Records of acknowledgment will be maintained by COBEAL's Ethics and Compliance Department.

Signature

Name (Please Print)

Date

For COBEAL Employees and Professional Service Representatives Only:

My Internal Contacts for Raising Questions and/or Reporting Concerns:

My Supervisor Is: _____

The CC is: Paula Pellicer

The President/CTO is: Bo Hollsten

I can find the information on using the Ethics Helpline on page __ of the Code.