



## Code of Business Ethics and Conduct

Waterleaf has a responsibility to conduct its business in strict compliance with all applicable laws and regulations, and it is the company's policy to do so. Waterleaf therefore expects worksite employees to act in accordance with the highest standards of business ethics both on and off company premises, to avoid any appearance of impropriety, and to observe all applicable laws and regulations while conducting business on the company's behalf.

You are expected to abide by the spirit as well as the letter of this Code. You are also expected to cooperate with any inquiries or investigations concerning a possible or suspected violation of this Code, unless you are informed at the time of the investigation that your participation is voluntary. Any worksite employee's failure to fulfill his or her responsibilities under this Code may result in disciplinary action, up to and including immediate termination of employment.

### Ethical Standards

Waterleaf is committed to conducting business in a fair and open manner within the spirit and letter of the law, with the highest regard for customers, the community, and worksite employees. Waterleaf's success depends not only on the knowledge, skills, and abilities of worksite employees, but also on their performance of work with sound judgment, self-discipline, common sense, and integrity. As such, all worksite employees are required to maintain and uphold the following common ethical standards, in all aspects of their work:

- To pursue company objectives in all of your work in a manner that does not conflict with the integrity of the company or the public interest;
- To be truthful and accurate in performing job functions;
- To protect Confidential Information as defined in this handbook;
- To observe all laws, regulations, ordinances, and rules applicable to the operation of the business;
- To maintain honest and fair relationships with all company vendors;
- To ensure quality and value in the company's products/services and relationships with customers and vendors; and
- To avoid, during the course of your employment, any situations that may engender any conflict between the personal interests of worksite employees and the exercise of discretionary decisions on behalf of the company.

## Conflicts of Interest

Waterleaf insists on the undivided loyalty of all worksite employees, including management and non-management staff, in the performance of all job functions. Therefore, worksite employees must not engage in any conduct, and must avoid situations, that would create an actual or potential conflict of interest in performing your job or create the appearance of such a conflict.

Conflicts of interest arise in work situations when a worksite employee's personal activity or personal interest is contrary to the interests of the company. These personal activities or interests may influence the worksite employee's judgment, causing the worksite employee to make decisions on behalf of the company based upon the potential for personal gain, rather than in the best interests of the company.

To prevent conflicts of interest, the following behavior is deemed unacceptable and unethical, except to the extent the law provides otherwise:

- Receiving or giving of merchandise, money, services, travel, accommodations, or lavish entertainment that might appear to have been given to influence a business decision. Gifts offered or received at any time in your capacity as a worksite employee or representative of the company that are of more than minimal or token value shall not be accepted and shall be returned to the sender with an appropriate explanatory note or letter.
- Maintaining personal, business, or financial relationships with a customer or vendor where the worksite employee has control or influence over the company's relationship with that customer or vendor. For example, worksite employees should not borrow from or lend personal funds to a customer or vendor of the worksite employee's division.
- Using information developed or learned on the job for personal or familial benefit. This includes the use of company databases, financial information, and intellectual property.
- Maintaining outside directorship, employment, or political office that might appear to or actually conflict or compete with a worksite employee's responsibilities.
- Conducting company business with, or using position or authority to influence the company to conduct business with, family members.
- Unauthorized sharing of Confidential Information, as defined in this handbook, or proprietary company-related information with business associates or representatives of other companies.

The list above serves only to illustrate sources of possible conflicts of interest and does not constitute a complete list of all the situations that may result in a conflict of interest. Ultimately, it is the responsibility of each worksite employee to avoid any situation that could affect his/her ability to judge situations independently and objectively on behalf of the company, and any situation that could even appear to be a conflict of interest. It is important to note that under certain circumstances, conflicts of interest can amount to violations of criminal law. Any doubts should be resolved in a discussion with your manager, Waterleaf HR Representative, or Waterleaf's legal counsel.

## Recognizing & Reporting a Conflict

It is essential that all worksite employees pay close attention to possible violations of the Code of Business Ethics and Conduct, whether they occur because of an oversight or intention. Any worksite employee who is aware of possible violations should notify his or her manager, a company officer, a Waterleaf HR Representative, or, if applicable, Waterleaf's legal counsel. If you are not sure whether there is an ethical problem, it is

better to ask.

Here are some signs to watch for:

- You feel uncomfortable about a business decision, or about something you've been asked to do at work.
- You have witnessed a situation involving a business decision that made you or someone else feel uncomfortable.
- You feel that the company would be embarrassed, or face legal implications, if a business conflict were revealed to the public.

### **Violation of the Code**

Violations of this Code will be grounds for discharge or other disciplinary action, adapted to the circumstances of the particular violation. Disciplinary action will be taken against individuals who authorize or participate directly in a violation of the Code. Disciplinary action also may be taken against any of the violator's managerial superiors, to the extent that the circumstances of the violation reflect inadequate supervision and leadership by the superior.

Compliance with the Code will be considered in the valuation of each individual's overall performance.

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