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# Gilston Electrical Contracting LLC

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## Employee Code of Business Conduct & Ethics

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## 1. Introduction & Core Values

Since the company's founding in 1963, Gilston Electrical Contracting LLC ("Gilston") has specialized in providing electrical contracting services to the New York City metropolitan area. Through specialized expertise and varied experience, the Gilston name has been associated with high-quality work for decades. Alongside our reputation for quality and professionalism, however, is a firm commitment to the highest ethical standards. This commitment makes us a stronger company and a valued member of our community.

The purpose of this *Code of Business Conduct & Ethics* ("Code") is to set out the values of the company and the responsibilities of its employees. The Code explains what is expected of Gilston staff and provides guidance to our staff about how they should conduct business and themselves on a daily basis.

## 2. Scope & Applicability

The Code applies to all Gilston employees regardless of position. Gilston also expects ethical and legal behavior from its subcontractors, joint venture partners, suppliers, vendors, and customers.

### 2.1. Responsibility

The responsibility for adhering to this Code rests with the employees themselves. While management must maintain and enforce it, day-to-day it is up to the employees to understand what the Code requires and ensure that its mandates are followed.

#### 2.1.1. *Questions about the Code*

If any part of the Code is unclear or an employee is uncertain as to where and how the Code applies to given situation, it is the duty of the employee to seek clarification from their managers.

As general rule: whenever an employee has any doubt as to whether an action violates any law, regulation or provision of this Code, that employee should elevate the issue to management. Because all employees are subject to it, the effectiveness of the Code relies on the proactivity of all employees to ensure that it is always being followed.

#### 2.1.2. *Training & Certification*

Each year, Gilston will distribute to all employees the most up-to-date version of this Code and communicate whether there have been any changes in the document. Where

necessary, Gilston will provide training or supplementary materials to assist employees in adhering to the Code and all other Gilston policies and procedures.

In turn, Gilston employees are required to certify in writing that they have read and understand the Code and will comply with its requirements. Before starting work at Gilston, all new employees must make the same certification as a condition of their new employment.

## 2.2. Enforcement

If a Gilston employee is found to have violated this Code, that employee is subject to disciplinary action up to and including possible termination. Additionally, supervisors who fail to detect the misconduct of their subordinates may also be subject to similar disciplinary action. Finally, failure to report to management unethical conduct on the part of your fellow employees or Gilston's business partners may result in disciplinary action up to and including possible termination.

Violations of the Code are not only against Gilston's company policy; many of them are against the law. Illegal conduct in violation of this Code may subject the Company, its management and the individual employees responsible for the actions to civil and criminal liability. Therefore, when necessary, Gilston will notify law enforcement and regulatory authorities when it believes that local, state or federal laws or regulations may have been violated.

## 3. Conflicts of Interest

Gilston employees must avoid conflicts of interest at all times. An employee has a conflict of interest when his or her private activities conflict with the interests of the Company. Gilston, however, expects employees to avoid even the *potential* for a conflict of interest and therefore prohibits employees from entering into any relationship that may prevent an employee from performing his or her duties faithfully and objectively. Therefore:

- No Gilston employee may benefit financially from their employment with the Company over and above or in addition to the terms and conditions of their employment with Gilston.
- No Gilston employee may benefit financially from their relationships with Gilston's subcontractors, suppliers, vendors, customers, or other third parties who do business with Gilston.
- Any perceived conflict of interest must be disclosed on the enclosed Conflict of Interest Disclosure Form.

### 3.1. Financial Interests Outside of the Company

A Gilston employee's private financial interests must not affect his or her responsibilities to the Company or be adverse, or potentially adverse, to the Company's interests. Therefore, if a Gilston employee is employed by or has a financial interest in any company that competes or does business with Gilston, that employee must immediately notify management of such relationship. Similarly, management must also be promptly notified by any employee, if a close family member of the employee is employed by, or has a financial interest in, any company that may be a competitor, subcontractor, vendor, or business partner of Gilston.

Any outside employment or financial activity by Gilston employees must be wholly separate from their work at the Company. No Gilston property, information or other Company resources may be used by Gilston employees for their outside employment or personal activities or those of their close family members.

### 3.2. Responsibility

It is the employee's responsibility to avoid situations that may create an actual or potential conflict of interest or which might prevent that employee from faithfully or objectively performing his or her job responsibilities. If the employee has any doubt as to whether his or her outside employment or personal activities constitute a conflict, or potential conflict, of interest, the issue should be promptly brought to the attention of the Company management by the employee.

If there is any question of whether an employee's outside or secondary employment, personal activities or outside financial interests might conflict with his or her employment responsibilities or with the interests of the Company, it is the employee's responsibility to promptly bring the situation to the attention of management and resolve the conflict issue before entering into the outside employment relationship, engaging in the personal activity or acquiring the outside financial interest.

All Gilston employees are required to fill out a *Conflict of Interest Disclosure Form* on an annual basis in accordance with the Company's *Internal Control Procedures Manual*.

## 4. Professional Conduct

### 4.1. In General

Gilston employees must act professionally towards their fellow employees and in their interactions with all third parties vendors and customers. Employees are the

representatives of the Company, and their behavior and statements, both appropriate and inappropriate, will, in the ordinary course, be attributed to and reflect upon the Company.

#### *4.1.1. Use of Email*

Gilston expects its employees to exhibit civility and professionalism in all interpersonal interactions and communications, and therefore employees must exercise the same prudent judgment and exhibit the same civility and professionalism in the transmission of an email, text message or the like that they would when making a telephone call or conducting an in-person meeting.

#### *4.1.2. Drugs & Alcohol*

No Gilston employee is permitted to use or be under the influence of alcohol in the workplace or while on Company business. Employees are likewise forbidden to use, possess, or sell illegal drugs and act inappropriately with legal controlled substances while at work or on Company business. In its sole discretion, unless it determines the same not to be necessary or required by force of law, Gilston will report, any suspected illegal conduct or activity related to the abuse of alcohol and controlled substances, to the appropriate police or prosecutorial authorities.

#### 4.2. Political Activities

Gilston encourages employees to engage in political and civic activities in their communities, as long as these activities are separate and distinct from their employment at the Company. If and when employees participate in political activities or make political contributions, it must be clear to the objective observer that they are doing so voluntarily, in their personal capacity and not as representatives of the Company. Political statements or opinions of employees must similarly be offered in a way that makes certain the opinions and views being expressed are those of the individual employee and not those of the Company.

#### 4.3. Company Property

Employees may only use Company property for legitimate business purposes. This property includes, but is not limited to, all computer systems, software, networks, whether accessed at the workplace or remotely in addition to all electronic equipment including desktop computers, laptops, cellular telephones, smartphones and PDAs and the information they contain.

Gilston reserves the right to access all employee emails and files contained, sent or received within its email system and all activities that occur on its computers or its

network. Employees consent to this monitoring as a condition of their employment and understand that there is no expectation of privacy with regard to any communications sent or received, and any information contained on Gilston equipment and systems.

## **5. Anti-Corruption: Bribes, Kickbacks, and Extortion**

Gilston has a zero tolerance policy regarding employee corruption of any kind. Corruption undermines Gilston's commitment to ethical conduct, is bad for business and is illegal. It is the responsibility of all employees to avoid any financial transactions or relationships and are prohibited from giving, receiving or condoning any payment or anything of value that may create or appear to create undue influence in the Company's business dealings. These improper payments or transactions are prohibited in *all* business interactions whether with private parties or government officials.

### **5.1. Bribes**

Gilston does not give or receive bribes itself or through third parties and prohibits employees from giving, accepting or soliciting bribes. Bribery occurs when anything of value is transferred from one party for the purpose of influencing the other party to do or not do something within his or her private or public duties or responsibilities.

#### *5.1.1. Gilston Employees*

No Gilston employee may ask for or accept cash, gifts or anything of value from a third party that is meant to exert undue influence or can be perceived as intended to exert undue influence over the employee's faithful service to the Company. Similarly, no Gilston employee may offer or give anything of value to a third party that is meant to exert undue influence or can be perceived as intended to exert undue influence over said third party in its dealings with the Company.

#### *5.1.2. Third Parties and Intermediaries*

Improper payments may not be passed through third parties or intermediaries, directly or indirectly. Therefore, all third parties that are authorized to act on Gilston's behalf must be thoroughly vetted and will be required to make written assurances that they will not engage in, or have not engaged in, corrupt behavior.

All Company contracts with and invoices from third parties must detail the specific services to be provided by the third party. General descriptions like "consulting" and "professional services" are inadequate as a basis upon which to receive payment from Gilston. In any event, payments by Gilston to third parties must be consistent with the

contract terms and must be reasonable in relation to the fair market value of those services paid for by Gilston.

In summary, Gilston employees must not solicit or pay bribes, must not accept bribes, and must not have any business dealings with anyone who does.

### 5.2. Kickbacks

Kickbacks are another form of bribery. Gilston employees may not solicit, give or receive kickbacks. A kickback is a payment made to a party in exchange for that party using his or her position to facilitate a business transaction that will benefit the paying and receiving party. Gilston employees are not permitted to enter into such a relationship directly or indirectly with any third parties subcontractors, vendors, suppliers, joint venture partners or customers.

### 5.3. Extortion

Gilston does not make extortion payments. Extortion occurs when one party solicits anything of value through intimidation, coercion or threat of physical or pecuniary harm or damage. If an employee is approached about making such a payment albeit by intimidation, coercion or threat of harm, he or she must report the situation immediately to management.

### 5.4. Books & Records

All Gilston books and records must accurately record the true nature of the Company's financial transactions. All financial records should be maintained in accordance with the Company's *Internal Control Procedures Manual* and Generally Accepted Accounting Procedures.

In addition, all Gilston documents and records, both electronic and hardcopy, must be retained for the amount of time mandated by the "Record Management" section of the *Internal Control Procedures Manual* and applicable law.

## 6. **Gifts & Entertainment Expenses**

Gilston understands that the giving and receiving of gifts and the payment of entertainment expenses can play a role in legitimate and ethical business practices. However, the exchange of gifts and payment of entertainment related expenses must always comply with applicable laws and must never be done for an improper or corrupt purpose.



## 6.1. Threshold & Approvals

Gifts or entertainment expenses must always be consistent with normal business practices and must never be made in exchange for a special advantage in business dealings. In fact, no gift or entertainment expense can be lavish, that is, of a value that might even appear to prevent the receiving party from objectively performing his or her duties. As rule of thumb, if the public disclosure of the nature and value of gift or the entertainment venue or expense would embarrass the Company, then it should not be exchanged or expended, and the venue should not be patronized.

Gilston employees are never permitted to give or receive gifts of cash or cash equivalents (vouchers, gift cards, etc.) of any dollar amount.

Whenever a Gilston employee plans to give or receive a gift or expend monies for or partake in entertainment paid for by a third party for anything more than nominal value, the employee must disclose it in advance and management must approve it. Employees are instructed to err on the side of caution in this sensitive area and consider disclosure to be the rule, rather than the exception.

## 6.2. Government Employees & Union Officials

Additional laws and regulations govern our employees' activities with government and union officials. For this reason, Gilston employees should not provide government employees and union officials with any gifts or defray the costs of entertainment, regardless of the value. Nor should Gilston employees provide any gifts or defray the costs of entertainment to subcontractors working with the Company on government contracts. While there may be appropriate exceptions to this rule, they are narrow and may only be granted only with the express prior written consent of management.

## 7. Confidentiality

In the course of their work, Gilston employees may gain access to confidential or proprietary information, which belongs to the Company or third parties. Employee are not permitted to:

- Obtain or attempt to obtain this confidential or proprietary information improperly
- Disclose this confidential or proprietary information to anyone outside the Company unless authorized by management.
- Use this confidential information for any improper or illegitimate purposes or for self-gain or gain by close friends or family members.

## **8. Fair Competition & Anti-Trust**

Gilston is committed to following all applicable federal, state and local competition and fair trade laws, rules and regulations and its employees are required to do the same. Unfair or anti-competitive business practices not only hurts our customers, it hurts our Company and our industry. Unless specifically permitted by RFPs, RFQs or RFEIs, employees should avoid discussions with competitors about:

- Pricing, discounts and pricing methods
- Bids and their terms or conditions
- Projects that Gilston may or may not submit a bid on
- Territories that Gilston may or may not submit a bid within.

Information from competitors about these topics must be obtained through publically available data only. In addition, if these topics are being discussed at trade association meetings or other industry gatherings it is the employees' responsibility to remove themselves from the meeting and report the incident to management.

## **9. Harassment & Discrimination**

Gilston is committed to being an equal opportunity employer, where all employees are treated fairly. Gilston believes that the workplace should be a place free of both harassment and discrimination where employees are treated with respect and courtesy.

Gilston does not permit discrimination or harassment of any kind based on race, sex, gender, religion, ethnicity, national origin, sexual orientation, disability or other distinguishing characteristics. Gilston will not tolerate verbal or non-verbal harassment of any kind, albeit through personal interactions or communications that might result in the creation of a hostile work environment.

## **10. Safety & Health**

Gilston is committed to the health and safety of its employees, subcontractors, vendors, customers, suppliers, business partners and the surrounding community. The Company and its staff abide by all health, safety, and environmental laws and regulations enforced at the federal, state, and local level. Gilston also expects its subcontractors, vendors, customers, suppliers, and business partners to do the same.

## **11. Open Door Reporting and Non-Retaliation**

### 11.1. Duty to Report

Gilston employees are obligated to report to management any suspected violations of this Code and any other illegal or unethical conduct inconsistent with the values expressed in this Code.

### 11.2. Reporting Process

Reports to management regarding violations of this Code may be made to any member of Gilston's management and such reports will be dealt with confidentially when feasible and practical. Following each report, the Company will fully investigate the alleged violations, and upon completion of the investigation, it will take appropriate action, including informing law enforcement, prosecutorial agencies, or regulatory authorities where it deems the same necessary or required.

### 11.3. Non-Retaliation

No Gilston employee will face retaliation or retribution for a good faith report of a violation or suspected violation of this Code or of any other Gilston policy, or of any applicable law or regulation. In other words, if the employee in good faith has reason to believe that the Complained of Conduct violates the Code, any Company policy or any federal, state or local law, regulation or rule and he or she reports them, there will be no adverse consequences for the employee from the Company and the Company will likewise protect the employee from retribution from other employees.