

DeFoe Corp.

The Code of Business Ethics and Standards of Conduct



**DeFoe Corp.**

**HEAVY CONSTRUCTION  
ARCHITECTURAL CONCRETE**

A Superior Commitment to Expansion and Diversification, Since 1946.

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The Code of Business Ethics and Standards of Conduct

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The Code of Business Ethics and Standards of Conduct

I. Purpose

1.0 To restate and combine the policies of DeFoe Corp. (the “Company”) regarding Ethical Business Practices, Standard of Conduct, and Conflicts of Interest, into one Corporate Code of Business Ethics (hereinafter referred to as the “Code”). The Code will be adhered to by all employees of DeFoe Corp.

1.1 The Company developed this Code of Ethics to help each of us understand the importance of maintaining public trust and confidence. It emphasizes our commitment to the highest standards of integrity and fairness in the course of our work.

1.2 Each Company employee shall become familiar with this Code and adhere to the guidelines set forth. These guidelines cannot address every circumstance that may be encountered. However, they underscore the basic principles which should guide all our activities: good judgment, personal honesty, and sound business ethics.

II. General Policy

2.0 Fair and ethical practices are fundamental to good business. The success of DeFoe Corp. can be sustained only if we continue to observe the highest standards of ethical behavior in the performance of our services. We are committed to meeting those standards without compromise. Accordingly, it is the policy of the Company to provide its services in accordance with the highest standards of integrity and fairness and in compliance with all applicable State and Federal laws, and any regulatory requirements, and with due consideration of the interest of our clients, employees, shareholders, subcontractors and suppliers, architects and engineers, and the communities in which our Company operates.

III. Standards of Conduct

3.0 Employees are not permitted to realize personal gain from employment with the Company other than salary and benefits paid by DeFoe Corp. Unethical or questionable practices for additional personal gain, regardless of degree will not be tolerated. Employees engaging in such actions will be subject to disciplinary action and/or dismissal.

3.1 Employees at all levels are expected to exercise good judgment in their internal and external business relationships and to avoid circumstances which would jeopardize their employment due to conflict with the Company philosophy and intent of this policy. Employees should strive to avoid even the appearance of impropriety in the discharge of their responsibilities. Other companies’ practices or standards must not be used as justification for ignoring or modifying the intent of this policy.

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Specific Standards of Conduct include, but are not limited to the following:  
Compliance with Applicable Laws and Regulations:

It is DeFoe Corp.'s policy to comply fully with the spirit and the letter of all laws and regulations governing its operation.

3.3 Any violation of any law, regulation, or other regulatory requirement applicable to the Company's operation whether committed by a Company officer, director or employee, or by a vendor, subcontractor, labor official or anyone else, must be promptly reported to your immediate supervisor. Supervisors are to promptly report to the available individual at the highest level of corporate management.

3.4 In situations involving the Company's performance on any City or State of New York jobs, or other public contracts, any such violation shall be reported to your immediate supervisor who shall notify the appropriate corporate officer, or other competent authority.

3.5 Any officer, director or employee who is convicted of any violation of any local, state or federal criminal law concerning or affecting DeFoe Corp.'s performance of its contracts and agreements is subject to dismissal.

3.6 Competitive Practices:

DeFoe Corp. believes that fair competition is fundamental to the free enterprise system. The Company will not enter into arrangements which unlawfully restrict its ability to compete with other businesses or their ability to compete freely with the Company.

3.7 Employees are prohibited from entering into any unlawful arrangements or understandings which affect the pricing practices of the Company or the terms upon which its services are contracted.

3.8 Improper or Illegal Payments

No illegal or improper payment from Company funds or assets will be made directly or indirectly by any officer, employee or agent of DeFoe Corp. or its subsidiaries. This includes but is not limited to commercial bribery.

3.9 No unrecorded funds will be established or maintained for any purpose. All transactions will be recorded on the books and records of DeFoe Corp. or its subsidiaries. Payments will not be made for purposes other than that described by the supporting documents or for the benefit of a person whose identity and interests are not disclosed to the Company.

3.10 Dealing with Suppliers and Subcontractors:

All purchases and subcontracts entered into by DeFoe Corp. or any of its subsidiaries will be made exclusively on the basis of price, quality, service and

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ability to meet the Company's needs. Every effort must be made to effect honest and straightforward relationships with suppliers and subcontractors.

3.11 Kickbacks and Rebates:

Employees are prohibited from soliciting or accepting kickbacks, rebates or any form of hidden payment either directly or indirectly. This not only includes cash payments, but any other service or thing of value which may be intended to influence the actions of any employee of DeFoe Corp.

Compliance with Generally Accepted Accounting Principles:

It is DeFoe Corp.'s policy to comply with Generally Accepted Accounting Principles. No false or misleading entries may be made in any Company books, records, or reports for any reason whatsoever. This includes, but is not limited to, political or commercial bribery, kickbacks, and/or political contributions to government officials, candidates for office and public or private employees.

Gifts:

Employees are prohibited from soliciting or accepting gifts of merchandise, personal services, or gratuities from suppliers, subcontractors, other employees, agents, or others with whom the Company does business. Employees may accept unsolicited non-monetary gifts if they are items of nominal value (under \$25). This includes advertising and promotional materials such as pens or desk calendars. If the frequency of such gifts occurs more than twice a year, the employee must notify their supervisor, and take affirmative action to see the practice is reduced or discontinued. The supervisor is required to report these matters to the highest levels of management.

Gifts exceeding a nominal value must be reported immediately to your supervisor who will then notify the appropriate level of management. If a gift is so personalized, or perishable that its return would be impractical, or if its return could constitute an affront to the giver and thus adversely affect the Company's continuing business relationship, the appropriate manager shall determine the proper disposition.

Entertainment:

Employees will not encourage or solicit entertainment from any individual, supplier, subcontractor or other outside source with whom the Company does business. Entertainment includes, but is not limited to, activities such as meals, theater parties, sporting events and recreational activities.

Only previous authorized Company employees and Officers may incur entertainment costs without prior approval. Other management members must have prior approval of their supervising officer before incurring such costs. Employees who have been authorized to entertain clients, prospective clients, officials, and/or other guest will have ground transportation, entertainment, meal and beverage costs, as well as those of his/her guests reimbursed. Such costs must be reasonable.

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3.17 Nepotism:

DeFoe Corp. has no objection to employment of relatives within the Company. The existence of family relationships must be disclosed to the Company management. Any manager with family members employed under his/her control is not to initiate, recommend or approve changes relating to such employees, including salary increases and promotions, without the prior review and approval of the highest management level.

IV. Outside Activities

4.0 In General:

Employees are expected to conduct themselves in their outside activities in a manner which does not adversely affect their job performance or negatively reflect on the Company. Positive action to protect DeFoe Corp.'s interest will be taken when the following conditions exist as a result of an employee's action during off-duty hours:

When the employee's conduct causes embarrassment to the Company or reflects unfavorably on fellow employees and the Company generally.

B) When outside work activities create a conflict of interest, comments critical of the Company or reflect unfavorably of fellow employees and the Company generally.

When Outside work or personal activities adversely affect job performance with the Company.

4.1 To mitigate excessive or conflicting demands on their time, employees should avoid outside employment or activities which would impair their effectiveness in carrying out their responsibilities to the Company. Management, supervisory, and non-union personnel have a commitment to DeFoe Corp. to be available to perform their responsibilities beyond a standard work schedule and shall not commit themselves to activities or supplemental employment that would interfere with this commitment.

4.2 Second Employment:

While DeFoe Corp. prefers that employees not hold positions outside their assignment with the Company, it is realized that certain justifiable exceptions may exist. Before engaging in either full or part time outside employment, management, supervisory, and non-union personnel should obtain prior written consent from the respective supervisor. Management, supervisory, and non-union personnel cannot engage in outside employment with any competitor of the Company at any time during the period of their employment or be employed by any business which has or seeks to have a business relationship with the Company. Management, supervisory and non-union personnel shall cease any other outside employment to which the Company objects.

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Membership:

DeFoe Corp. has a long-standing commitment to being a good civic neighbor. We actively support employee involvement in community activities and professional organizations. When these interests are pursued in a responsible manner, it reflects favorably upon the employee and the Company.

4.4 Before accepting a position on a board of directors with another company or nonprofit organization, an employee must evaluate carefully whether the position could cause, or appear to cause, a conflict of interest. If there is any question, the employee should consult his/her supervisor.

V. Conflicts of Interest

5.1 Employees must avoid situations where their personal interest could conflict with the interest of the Company. Conflicts of interest arise when an individual's position or responsibilities present an opportunity for personal gain separate and apart from the direct rewards of employment, or when an employee's personal interests are inconsistent with those of DeFoe Corp. and could lead to his/her responsibilities to the Company to be compromised.

5.2 DeFoe Corp.'s Board of Directors is the ultimate authority concerning potential conflicts of interest. When a potential conflict exists, it must be properly disclosed and an appropriate determination made by the Board of Directors. Employees will avoid all outside financial interest which might influence their corporate decisions or actions. Since a conflict of interest, or the appearance of a conflict, may arise in a variety of circumstances, it is not possible to describe every situation. However, certain clear conflict of interest situations may be avoided if the following basic rules are observed:

- A) No employee, his or her spouse, dependants, or members of his or her household may have, directly or indirectly, a personal or financial interest in any transaction which is, or maybe, adverse to the Company.
- B) No management, supervisory, and non-union personnel, his or her spouse, dependents, member of his or her household may be employed by or have, directly or indirectly, a financial interest in any business enterprise (corporate or otherwise) with which the Company has business dealings, or with any business that is owned or controlled by any company or principle of a company with which the Company does business. A financial interest in the sense used above does not include ownership of a small number of publicly-traded securities of any corporation acquired as part of a nominal investment program.

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C) Employees shall not acquire real estate or any business interest which they know, or have reason to know DeFoe Corp. is interested in acquiring, nor shall employees acquire nearby property for speculation or investment.

D) Unless properly authorized, employees shall not give or release, outside DeFoe Corp., any data or information of a confidential nature concerning the Company and its operations. Of particular sensitivity is matters dealing with bid preparation, corporate strategy, management initiatives, financing, bonding, litigation, and collective bargaining negotiations.

5.3 Beyond clear cases of conflicts of interest, there are situations which are inconsistent with accepted high standards of business ethics. The fundamental principles to keep in mind are that these standards can not be compromised. If there is room for suspicion that an interest in, or connection with, another venture might affect an employee's judgment in acting for DeFoe Corp., such interest, or connection must be clearly disclosed to management for a determination if it should be terminated.

5.4 It should be understood that such conflicts or "adverse interests" also include any direct or indirect dealings regardless of whether the terms of such dealings are believed to be fair or favorable to the Company or the employee.

5.5 While conflicts of interest questions usually have clear answers, it is recognized that there may be difficult questions of interpretation and judgment. Recognizing this all employees are encouraged to discuss any aspect of this policy with their respective supervisor and management.

## VI. Political Contributions & Activities

6.0 Employees may participate in partisan political activities only in their individual capacities, making sure that they do not leave the impression that they speak or act for the Company. Any Company involvement in political or legislative activities on local, state, or national levels must be approved by the Board of Directors and will be conducted in strict accord with the highest ethical and legal standards.

6.1 Employees are prohibited from using Company funds, facilities or other Company assets to support, either directly or indirectly, any political candidates or political parties inside or outside the United States.

6.2 Employees may make contributions of time and money to a Political Action Committee (PAC) only within their individual capacities. However, it is

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contrary to Company policy for employees to exert any pressure, direct or indirect, on other employees, or provide any inducement or reward for employees to decide whether, to whom, and in what amount to make a political contribution.

VII. Cause for Termination or Disciplinary Action

7.0 DeFoe Corp. expects employee conduct on the job to be governed by the highest ethical standards, good judgment and consideration of others.

7.1 Any act by any employee that may be considered to be contrary to the policy and purposes of the Code of Ethic, or harmful to another employee or the Company, maybe cause for disciplinary action, up to and including discharge without notice. Offenses which constitute cause for discharge include, but are not limited to, the following:

7.2 Theft, offering or taking bribes, fraudulent record keeping, embezzlement, forgery, or other criminal, unethical or dishonest conduct.

7.3 Reporting to work under the influence of alcohol or drugs not taken under the direction of a licensed physician, or use of alcohol or drugs on the premises or work site.

7.4 Possession, distribution, sale, purchase, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment.

7.5 Working for a competitor.

7.6 Unauthorized disclosure of business “secrets”, or confidential information.

7.7 Insubordination.

7.8 Falsification of an employment application or any other Company records.

7.9 Misconduct, on or off the job, which materially and adversely affects the Company.

7.10 Material or repeated violation of the Code or other policies or practices set forth in the Employee Handbook.

7.11 Association with membership in any organized criminal group.

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7.12 Failure to report your knowledge of an attempted violation of the Code of Ethics by any vendor, subcontractor, labor official, government employee or official, or employee, officer or director of the Company, whether you are directly or indirectly involved or not involved.

VIII. Communicating The Code of Business Conduct

8.0 Each supervisor must be aware of DeFoe Corp. policies on business conduct and share that information with each subordinate. The supervisor shall ensure that each employee is aware of and understands the Company's Code when that employee is hired, promoted or changes job responsibilities.

8.1 Each employee is responsible for communicating information received regarding a suspected violation of the company policies and procedures (including this Code) to his/her next immediate supervisor.

8.2 Regularly scheduled meetings, on at least an annual basis, will be held with the management, supervisory, and non-union personnel to discuss the Code of Ethics, and answer questions.

IX. Disclosure and Exceptions

9.0 If any employee believes that the application of this Code of Conduct in a particular circumstance would be inappropriate or detrimental to DeFoe Corp., it is his/her responsibility to ask for clarification or request that an exception be made by contacting corporate management.

9.1 Each employee is responsible for disclosing any situation or transaction which in his/her opinion appears to violate or violates the purpose or intent of the Code of Ethics.

X. Questions to Ask Before Acting

10.0 The general guidelines of this Code are provided to help each employee better understand Company expectations regarding his/her business dealing. Answering the following questions also may help employees evaluate specific situations.

A) Will my action comply with the intent and purpose of the Company's policies and practices?

B) Will I compromise myself by this action if it becomes known to my supervisor, co-employees, friends or subordinates?

C) Is this action honest in every aspect?

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- D) Could this action appear inappropriate to others, even if it is ethical?
- E) Can I feel comfortable doing this action, or does it violate my personal code of conduct?
- F) Is this action something I would be proud of in the retelling?

XI. Acknowledgement Form

I acknowledge that I have received a copy of the attached Code of Business Ethics and Standards of Conduct.

It is my responsibility to read and comply with its contents.

If I have any questions, or suggestions I will immediately bring them to the attention of my superiors.

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Signature

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Date

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Name (Typed or Printed)