

discriminatory or retaliatory are encouraged to bring these issues to the attention of their immediate supervisor. (If your immediate supervisor is or may not be an appropriate person to contact under the circumstances or if you would not be comfortable contacting your immediate supervisor, you may contact any other supervisor, member of management, or the President. Associates can raise concerns and make reports without fear of reprisal or retaliation. Anyone found to be engaging in any type of unlawful discrimination, harassment (including sexual harassment) and/or unlawful retaliation will be subject to disciplinary action, up to and including termination of employment (For more detailed information regarding SMA's policy against harassment, discrimination and unlawful retaliation, see Section 703 of this Associate Handbook.)

104 Business Ethics and Conduct

SMA's successful business operation and positive reputation is built upon the principles of fair dealing, legal compliance and ethical conduct by our associates. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct, ethics and personal integrity. SMA's policies, work rules, practices and procedures are intended to serve as a basis for ethical and lawful decision making and sound judgment in the conduct of all work-related activities.

The continued success of SMA is dependent upon our customers' trust and we are dedicated to preserving that trust. Associates owe a duty to SMA and its customers to act in a way that will merit the continued trust and confidence of our customers and the general public.

SMA will comply with all applicable laws and regulations and expects its managers, supervisors, associates and consultants to conduct business and related activities in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to the lines and boundaries of acceptable conduct and behavior. If a situation arises where it is difficult for you to determine the proper course of action, you should discuss the situation openly with your immediate supervisor and, if necessary, with the President, and seek out their consultation and advice. In addition, if you are involved in or become aware of any legal compliance violation or problem, a business conduct, practice, ethics and/or integrity problem or issue, any actual, possible or potential conflict of interest or any actual, possible or potential unethical, dishonest or illegal conduct or behavior, or if you, in good faith, suspect such violations, problems, issues, conflicts or behaviors have occurred or exist, you must report it/them right away to an appropriate Company representative (including the President).

Compliance with this policy of business ethics and conduct is the duty and responsibility of every SMA associate. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

No manager, supervisor or associate who in good faith reports a legal compliance violation or problem, a business conduct, practice, ethics and/or integrity problem, actual, possible, potential or suspected conflicts of interest or actual, possible, potential or suspected unethical, dishonest or illegal conduct or behaviors shall suffer harassment, retaliation, or any adverse employment consequence. An associate or other SMA official or representative who harasses, threatens, punishes, disciplines or otherwise retaliates against someone because that person has in good faith (1) reported a legal compliance, business conduct, business ethics/integrity or conflict of interest violation or problem or a suspected legal compliance, business conduct, business ethics/integrity or conflict of interest violation or problem, (2) complied with SMA's business ethics and conduct policy, (3) acted as a witness in a matter concerning or involving SMA's business ethics and conduct policy or (4) participated in an investigation conducted in connection with SMA's business ethics and conduct policy, is subject to discipline up to and including termination of employment.

Anyone filing a complaint, allegations or claims concerning a legal compliance, business conduct, business ethics/integrity or conflict of interest violation or problem must be acting in good faith and have reasonable grounds for believing the information disclosed indicates that such a violation or problem exists. Making, reporting, filing or pursuing complaints, allegations or claims (1) that are found to be frivolous or to be without merit or substantiation and which were made recklessly or in bad faith or (2) which were known to be false (i) when made, reported or filed or (ii) at any time while being pursued, are viewed as a serious offense. Disciplinary action, up to and including termination of employment, will result in such situations.

Complaints or reports of legal compliance, business conduct, business ethics/integrity or conflict of interest violations or problems or suspected legal compliance, business conduct, business ethics/integrity or conflict of interest violations or problems may be submitted on a confidential basis by the complainant. Complaints or reports of legal compliance, business conduct, business ethics/integrity or conflict of interest violations or problems or suspected legal compliance, business conduct, business ethics/integrity or conflict of interest violations or problems will be kept confidential to the fullest extent possible, consistent with applicable legal and Company policy limitations and requirements and with the need to conduct a prompt, full, thorough and fair investigation.

Complaints or reports of legal compliance, business conduct, business ethics/integrity or conflict of interest violations or problems will be reviewed and promptly investigated. Appropriate corrective action will be taken if warranted by the investigation.

105 Immigration Law Compliance

Each new associate, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility in the United States to comply with the Immigration Reform and Control Act of 1986. New associates will not be allowed to commence employment without completing and presenting the necessary documentation. Former associates who are rehired must also complete the Form I-9 and present identity and employment eligibility documents to the company.