

<i>EAST PENN manufacturing co., inc.</i>			
EAST PENN POLICIES AND PROCEDURES MANUAL			
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Approved By: Robert D. Harrop		Document No.: EPPM\PERS\SEC1\ 32ADOC	

Business Ethics

To ensure ethical and impartial business practices, it is prohibited for East Penn Mfg employees to:

1. Use their job at East Penn Mfg to secure special advantage in business, personal gain or other benefit derived from such relationship.
2. Use any company-owned facility, building, equipment, materials or vehicle for their personal use (except for cars assigned to individuals under the company car program) or benefit, or for the personal use or benefit of any other individual. No employee shall have unauthorized possession of company property.

Conflicts of Interest

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. Employees must never use East Penn Mfg property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with East Penn Mfg.

Here are some other ways in which conflicts of interest could arise:

1. Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with East Penn Mfg.
2. Hiring or supervising family members or closely related persons.
3. Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all East Penn Mfg employees.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from the Personnel Department or Executive Management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their Divisional Vice-President or the Personnel department.

Accepting Business Courtesies

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when East Penn is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain East Penn business.

Meals, Refreshments and Entertainment

We may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

- They are not inappropriately lavish or excessive.

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- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

Gifts

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

- Flowers, fruit baskets and other modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).

Generally, employees may not accept compensation, honoraria, gift cards or money of any amount from entities with whom East Penn Mfg does or may do business. Tangible gifts that have a market value greater than \$100 may not be accepted unless approval is obtained from management.

Employees with questions about accepting business courtesies should talk to their managers or the HR department.

Discounts and Purchasing from Suppliers/Vendors:

East Penn Mfg does offer all employees group discounts for local businesses and customer/vendor deals. Examples include Boscov's discount coupons, General Motors vehicle purchase discount, etc. All offers to employees must be pre-approved by the Personnel Director and/or Vice-President.

East Penn Mfg will not allow vendor/supplier discount programs unless it is available to all employees of the company. Additionally, all business transactions must be performed outside of East Penn Mfg property and time, which includes:

1. No billing to employees for items/services purchased can be done via East Penn Mfg business billing or on company time/property.
2. Delivery and pick-up of items/services purchased by employees must occur off of the company property and not on company time.
3. Employees will not be able to purchase any items from the company inventory for personal use at any time for any purpose.
4. Employee purchase or use of scrap materials or unused items will not be available for any purpose.

Record of Revisions

Revision #	Revision Date	Description
1	4/4/2016	Document #3035 New Policy