



Business Ethics & Code of Conduct

Effective: May 2017

Contents

MESSAGE FROM THE CEO 1

CORE VALUES..... 2

INTRODUCTION/OVERVIEW 3

Why do we have a Code..... 3

To whom the Code applies..... 3

Expectations/Responsibilities 3

Reporting 3

Investigations/Non-Retaliation..... 3

INVESTING IN ONE ANOTHER 4

Diversity 4

Harassment-Free Workplace & Non-Discrimination..... 4

Privacy 4

Workplace Safety..... 4

INVESTING IN ETHICAL BUSINESS PRACTICES 5

Anti-Corruption and Bribery..... 5

Conflicts of Interest..... 5

Gratuities to Employees 5

Interest in Outside Business Activities..... 6

Political Activities..... 6

Gratuities by One or More Companies..... 7

Trade Secrets and Confidential Company Information 7

Fair Competition/Antitrust..... 7

Insider Information 7

Use of Company Resources..... 7

Computer Usage 8

Social Media 8

INVESTING IN OUR COMMUNITY 9

Community Involvement..... 9

Environmental Stewardship..... 9

Media Relations..... 9

MESSAGE FROM THE CEO

HBM Holdings has deep roots. In 1907, Harry B. Mathews founded Mississippi Sand Company, which later became Mississippi Lime. Because of his entrepreneurial mindset, hard work, dedication and commitment, Mississippi Lime thrived in the 20th century and continues to prosper today. In 2012, an investment and management company, HBM Holdings Company, was created by the Board to diversify the business interests owned by the Harry B. Mathews, Jr. Trust.

At HBM Holdings, we continue to build on the legacy that Harry B. Mathews shaped. Our focus is on creating a balanced and diverse investment portfolio. We seek businesses that create real value for their customers and our mission is to help them grow and succeed. Similarly, we are committed to the growth and development of our employees. We invest in developing talent across our portfolio of companies.

In 2012, Delavau, a food and pharmaceutical ingredients company based in Pennsylvania, joined our family. In 2013, we added Tru-Flex, a manufacturer of specialty metal hoses used in heavy-duty trucks and off-road vehicles, based in Indiana. Most recently, Breen Energy Solutions, a Pennsylvania-based provider of emissions measurement and mitigation technologies to the utility and industrial boiler markets, was added to our portfolio.

In addition to growing our portfolio and expanding our horizons, we continue to focus our attention on our safety and our community. Safety is a top priority. We work with all of our companies to help them provide a safe work environment and develop top-notch safety practices. We are committed to achieving and maintaining “best in class” safety performance in each of our businesses.

We are fortunate to be a part of many different communities and believe that giving back is not just an option, but one of our core values. It is our responsibility to make a difference by being engaged in the communities where we live, work and play.

We look to build a world-class investment and management company that develops and empowers our people to achieve great things, while creating sustainable, long-term value for our companies and communities.

Sincerely,

Michael DeCola, CEO

CORE VALUES

The core values of the Company form the foundation on which we perform work and conduct ourselves. These values are the basic elements which guide us in our day-to-day work and general business practices.

- **Ethical Conduct** – We act with integrity in everything we do.
- **Safety** – We are committed to achieving and maintaining “best in class” safety performance in each of our businesses.
- **Constructive Impatience** – We exist to enable, not to obstruct. We encourage and promote new ideas and perspectives, with a bias toward action.
- **Individual Responsibility** – Each individual is responsible for maintaining a culture of collaboration and approachability, and holding ourselves and each other to standards that will drive sustainable results.
- **Community Engagement** – We are committed to our communities and seek to drive positive change through our people and resources.
- **Operational Excellence** – We will relentlessly pursue continuous improvement across all of our businesses.

INTRODUCTION/OVERVIEW

Why do we have a Code

It has always been, and continues to be, the intent of HBM Holdings Company (“Company”) that our employees maintain the highest ethical standards in their conduct of the Company’s affairs. While understanding what constitutes ethical business conduct may seem intuitive, we also recognize there are times when doing the right thing may not be clear or easy. To help guide all of us, we have established a business ethics program that consists of our Code of Conduct (the “Code”), ongoing communication and training, and communication channels that allow each of us to ask questions and raise concerns. The Code is intended to supplement and not to replace existing Company policies and procedures.

To whom the Code applies

The Code applies to all employees of the Company. All employees are responsible for reading and complying with the Code, Company policies and the law.

Expectations/Responsibilities

Every employee is responsible for reading and complying with the Code. Employees are also responsible for reporting known or suspected violations of the Code, Company policies or the law. Employees who fail to comply, including employees who fail to report violations, may face disciplinary action, up to and including termination.

While each of us is expected to comply with the Code, managers have a greater responsibility as they set the tone and are often where employees turn for advice, with questions or to report suspected violations. Because of this additional responsibility, Managers should lead by example and create an environment where employees feel comfortable asking questions and raising concerns.

Reporting

Employees have an obligation to report actions or events that may constitute a violation of the Code, Company policies or the law if the employee in good faith believes that a violation may have occurred. The employee should promptly report such information to Human Resources, the CEO or the Hotline. Reports may be filed using the website or telephone number provided below:

www.hbmholdings.ethicspoint.com

844-348-7619

Employees play an important role in upholding HBM’s values, including ethical conduct. An employee’s failure to report reasonably suspected violations will result in a range of actions from a coaching session up to and including termination of employment, as Management may, in its sole discretion, determine to be appropriate.

Investigations/Non-Retaliation

The Company will promptly respond to reports of known or suspected violations of the Code, Company policies or the law. Employees who are called upon to assist with an investigation are required to cooperate fully and honestly. The Company prohibits taking negative action against any employee for reporting in good faith and/or for cooperating in an investigation. Any employee who retaliates against another employee for reporting and/or cooperating in an investigation will be subject to disciplinary action, up to and including termination.

INVESTING IN ONE ANOTHER

Diversity

Diversity encompasses acceptance and respect. Understanding that each individual is unique and recognizing our individual differences creates an environment where we move beyond simple tolerance to embracing and celebrating the rich dimensions each employee brings to our Company.

Harassment-Free Workplace & Non-Discrimination

All employees have a right to work in an environment where all employees are treated with dignity and respect. In keeping with this commitment, we will not tolerate harassment of employees or applicants by anyone, including any Manager, co-worker, customer, vendor, or other outside party with whom our employees come in contact during the course of performing their job duties at the Company. Harassment refers to conduct relating to a person's legally protected characteristic that creates a hostile or abusive work environment. Protected characteristics include race, color, gender, religion, national origin, age, citizenship status, pregnancy, mental or physical disability, veteran status, sexual orientation, genetic information or any other legally protected status.

Under most circumstances, harassment refers to the type of conduct that is pervasive, repetitive and sufficiently severe to alter the conditions of an employee's employment. Harassment may also refer to a single incident that is sufficiently outrageous or harmful, in and of itself, that substantially alters the conditions of an employee's employment or interferes with that individual's ability to perform job-related responsibilities.

If you feel that you have experienced or observed any discriminatory or harassing behavior, you should immediately report the situation to Human Resources. Employees should consult the *Harassment-Free Workplace & Non-Discrimination Policy* for additional information regarding the Company's policy on harassment and discrimination.

Privacy

The Company is committed to complying with all applicable privacy laws. Employees who have access to personal information must keep it secure and use it only as authorized. Personal information broadly refers to any information that identifies or relates to an identifiable person, including, but not limited to, government issued identification numbers or medical records. While the Company does respect employee privacy, the Company does reserve the right to inspect Company facilities and property. Unless provided by applicable law, employees should not expect privacy when using Company-provided equipment, i.e. computers, email, etc.

Workplace Safety

Any injury sustained while at work must be immediately brought to your Manager's attention so that arrangements can be made for any necessary medical examination and/or documentation. Your Manager is responsible for completing an injury report and submitting it to the Human Resources Department.

The Company has a zero tolerance for violence in the workplace, including threats, intimidation or acts of violence. In the interest of a workplace that is safe and free from violence, the Company prohibits all persons who enter upon its property from wearing, transporting, storing, using, or carrying a firearm or dangerous weapon of any type, concealed or unconcealed, regardless of whether the person is licensed to carry the weapon or not. Employees should consult the *Weapons in the Workplace Policy* for additional guidance regarding the Company's policy on weapons.

INVESTING IN ETHICAL BUSINESS PRACTICES

Anti-Corruption and Bribery

Employees are expected to comply with all applicable laws wherever they travel on Company business, including laws prohibiting bribery, corruption or the conduct of business with specified individuals, companies or countries.

The Company also expects employees to comply with U.S. laws, rules and regulations governing the conduct of business by U.S. citizens including the Foreign Corrupt Practices Act, which prohibits any corrupt offer, payment, promise to pay, or authorization to pay any money, give anything of value (made directly or through intermediaries) to any foreign official, or foreign political party, candidate or official, in order to obtain or retain business for anyone or direct business to anyone, and requires the maintenance of accurate books of account, with all company transactions being properly recorded.

Conflicts of Interest

An employee's primary duty is to act at all times in the best interest of the Company. A conflict of interest arises when our personal interests could harm our ability to make sound and objective decisions on behalf of the Company. To avoid conflicts of interest or even the appearance of a potential conflict, all employees are required to strictly comply with the Company's *Business Ethics Policy*. When there is any chance that a real or perceived conflict or the creation of an expectation of something in return (commonly called a quid pro quo), the employee is expected to politely decline the offer. In the event that declining the offer might present an awkward opportunity, the employee may accept the gift and immediately deliver and report the gift to Human Resources or the CEO.

Guidelines to help employees avoid a conflict of interest, or a perceived conflict of interest can be found in the *Company's Business Ethics Policy*.

It is not feasible to specify all activities that may give rise to a conflict of interest, or the appearance of one, in the Code. The following are some of the more common situations where a conflict may arise:

Gratuities to Employees

Employees shall not seek or accept any gifts, payments, fees, services, valuable privileges, vacations or pleasure trips without a business purpose, loans (other than arm's length or conventional loans, routinely available to the public, from lending institutions), debt forgiveness or other favors from any person or business organization that does or seeks to do business with, or is a competitor of, the Company. No employee shall accept anything of value in exchange for referral of third parties to any such person or business organization. See *Company's Business Ethics Policy* for further information regarding acceptable courtesies.

Do I have a Conflict of Interest?

- To determine if you have a conflict, ask yourself these questions:
- Do my outside interests influence, or appear to influence, my business decision?
- Do I stand to benefit from my involvement in this situation?
- Does a friend or relative of mine stand to benefit?
- Could my participation in this activity interfere with my ability to do my job?
- Is the situation causing me to put my own interests ahead of the Company's interests?
- How would I feel if this situation became public knowledge?

Examples of Conflicts of Interest

1. Starting a company that provides services similar to your full time employer.
2. Failing to disclose you're related to a job candidate the company is considering hiring.
3. Accepting a payment from another company for information about your employer.
4. Failing to investigate a subordinate or coworker's wrongdoing because they are a friend.
5. Sharing confidential information about your employer with a competitor.
6. Making a purchase or business choice to boost a business that you have a stake in.
7. Doing business or work for a competitor.
8. Accepting consulting fees and providing advice to another company for personal gain.
9. Taking advantage of information learned on the job for your own benefit.
10. Cashing in on a business opportunity that your company might have pursued.

Interest in Outside Business Activities

Employees shall not directly conduct business on behalf of the Company with a spouse, son or daughter, son-in-law or daughter-in-law, father or mother, father-in-law or mother-in-law, brother or sister, brother-in-law or sister-in-law ("Immediate Family"), member of the immediate household, significant other or anyone else over whom the employee has significant control or a business organization with which the employee or a member of the employee's Immediate Family has an association which could be construed as a conflict of interest, unless such business dealings have been discussed with the employee's immediate Manager. If further clarification is necessary, the employee to whom you directly report, regardless of title, (the "Manager") should seek approval from the head of the Human Resources Department, or the CEO or his or her designee. In the event that business is arm's length, the employee must disclose the potential conflict, in advance, in writing and ensure that the employee is fully recused from any decision making authority, review or business benefits.

Employees or members of their Immediate Family should not own a "significant" financial interest in any business organization that does or seeks to do business with the Company or is a competitor of the Company unless such interest has been fully disclosed, in advance, in writing to the CEO and it has been determined that the employee's duties for the particular Company will not require him or her to make decisions that could be influenced by such interest. As a minimum standard, a "significant" financial interest is an aggregate interest of an employee and family member of more than:

- i. 10% of any class of the outstanding securities of a firm or corporation;
- ii. 10% interest in a partnership or association; or
- iii. 5% of the total direct and beneficial assets or income of such employee.

Employees shall not conduct business with the Company on behalf of a business organization with which the employee, or any of his or her Immediate Family, has a "significant" financial interest, an employment relationship, or an independent contractor relationship (including, but not limited to, a sales distribution capacity) unless such business dealings have been discussed with the immediate Manager and a specific non-objection has been given in writing. If further clarification is necessary, the Manager should seek approval from the head of the Human Resources Department, or the CEO or his or her designee.

Employees shall not accept an offer to serve as a partner, consultant, in a managerial position with, or to be employed by a nonaffiliated business organization which does significant business with, or is a competitor of, the Company, without advising the Human Resources Department of such plans before starting the activity. Where the potential for conflict of interest exists, prior specific written approval must be obtained from the CEO. Employees may accept an offer to serve as a director of a firm or business organization, including any non-profit or charitable organization, where a conflict of interest does not exist. However, except with respect to religious organizations and schools, prior to acceptance of the position, the employee must obtain written approval from the CEO.

Political Activities

Employees shall not use funds of the Company or other in-kind donations of time or resources for contributions to any political party or committee in the United States or to any candidate for, or holder of any office of any government-national, state, or local-except for those as approved by the CEO. Individual participation by employees in the political process, however, is always encouraged but must not be shared on Company premises or during work hours if the potential to offend exists.

Gratuities by One or More Companies

Gifts, favors, entertainment and payments by the Company may be given to others at Company expense only if they meet the following criteria:

- They are consistent with accepted business practices.
- They are of sufficiently limited value and in such form that they will not be construed as a bribe.
- They are not in contravention of applicable law and generally accepted ethical standards.
- Public disclosure of the facts will not embarrass the Company.

Trade Secrets and Confidential Company Information

Employees shall not, without the authority of the CEO, give or release to anyone not employed by the Company, or to another employee who has no business need for the information, data or information of a confidential nature concerning the products, processes or finances of the Company. See Company's *Business Ethics Policy* for additional guidance.

What business information is considered to be "Confidential"?

"Confidential Information" is non-public information that could be useful to competitors or harmful to the Company, or material to an investor's decision. Specific examples include, but are not limited to, earnings, forecasts, business plans, strategies, potential acquisitions, research, significant management changes and information provided by third parties in connection with a potential transaction.

Fair Competition/Antitrust

Competition is an economic process that results in the efficient allocation of our free society's resources. Competition requires that buyers and sellers be given the freedom to buy and sell their products or services without having unreasonable restraints imposed on them by other buyers or sellers. The American antitrust laws have all been enacted to protect and enhance competition and to protect competitors, including our organization, and the public against unfair, predatory and/or deceptive business practices.

Conduct that is potentially problematic and/or illegal includes price-fixing, bid-rigging schemes, allocation of customers or territories and group boycott. For further guidance, please refer to the Company's *Antitrust Policy*.

Insider Information

Employees must maintain as Confidential, any "insider" information that could affect the investment decisions of the Company. Employees must also keep confidential any other material, non-public information which could impact a reasonable investor's decision to buy or sell an interest in any current or third party suppliers. This confidentiality requirement extends to Immediate Family or even Company employees who do not have a "need to know." In addition, no purchase or sale of securities of another corporation, the acquisition of which is being considered by the Company should be made until such time as the proposed acquisition becomes public information. Employees shall not acquire real estate or encourage others to acquire real estate, which they know the Company is interested in acquiring. Moreover, based on such advance information, employees shall not acquire any nearby property for speculation or investment without the specific prior approval of the CEO.

Use of Company Resources

Employees are responsible for the proper protection and use of Company resources to avoid loss, damage, theft, unauthorized use and waste. Company resources include assets such as physical property including facilities, supplies, computers and Company funds. Assets can also include intangible items such as confidential and proprietary information, intellectual property and information systems.

Computer Usage

Employees have a variety of technology resources available for their work in advancing the Company's business. It is strictly prohibited to use Company systems for activities that are unlawful, unethical or otherwise conflict with the Code or the Company's *Computer Usage Policy*.

Social Media

The Company understands that social media can be a fun and rewarding way to share your life and opinions with family, friends and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. Employees should ensure social media postings are consistent with the *Social Media Policy*. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination. Employees should consult the *Social Media Policy* for guidance with making responsible decisions about their use of social media.

INVESTING IN OUR COMMUNITY

Community Involvement

We are fortunate to be a part of many different communities and believe that giving back is one of our core values. It is our responsibility to make a difference by being engaged in the communities where we live, work and play. We choose charities based on what is important to our employees and based on what is aligned with our mission.

Environmental Stewardship

It is the Company's policy to manage our businesses in an environmentally responsible manner. We clearly communicate and demonstrate our commitment to environmental stewardship. Regulatory compliance and the sensible operation of our facilities are essential to our long-term viability.

Media Relations

Local, regional and national media outlets can play a significant role in shaping public opinion and the understanding of our Company. Therefore, it is essential always to present the media with information that is updated and consistent. All media inquiries and requests for interviews should be coordinated and sent to the Head of Human Resources as quickly as possible.

Only approved Company spokespeople are permitted to conduct media interviews on behalf of HBM Holdings. If you are formally or informally approached for an interview by any member of the media, or asked to speak on the Company's behalf, your response should be that you are "not in a position to speak on behalf of the Company, but you will be happy to connect them with someone who can answer their questions." For further guidance, please refer to the *Media Relations Policy*.