

Ethics and Conflicts of Interest

The ethical conduct of each of us defines who we are as a company and how others feel about doing business with us. The reputation that RED-Rochester is critical to our continued success. Since the actions of a single employee can harm the Company's reputation beyond repair, each of us must make a commitment to act in a safe, legal, and ethical manner always.

The following is a summary of the Company's policy with respect to gifts, favors, entertainment, and payments given or received by Company associates, potential conflicts of interest and certain other matters:

- A. Gifts, favors, and payments may be given to others at Company expense, if they meet all the following criteria:
1. They are consistent with accepted business practices.
 2. They are of sufficiently limited value and in a form that will not be construed as a bribe or payoff.
 3. They are not in violation of applicable law and accepted ethical standards; and
 4. Public disclosure of the facts will not embarrass the Company.

Payments, commissions, or other compensation to or for the benefit of employees of our customers (or their family members or associates) not required by written contract are a violation of Company policy.

- B. Gifts, favors, entertainment, and payments received by company employees:

Employees shall not seek or except for themselves or others any gifts, favors, entertainment, or payments without a legitimate business purpose, nor shall they seek or accept personal loans from any persons or business organizations that do or seek to do business with or is a competitor of the Company. In no situation should an employee accept a gift that could be perceived as influencing a decision or recommendation they may make regarding the customer or vendor, or that could create the appearance that the gift giver is entitled to preferential treatment, an award of business, better prices, or improved terms of sale. The gift should also not be of such a value that it might prevent the recipient from awarding RED's business to a competitor of the gift-giver. In the application of this policy:

1. Employees may accept for themselves, and members of their families' common courtesies usually associated with customary business practices. These include but are not limited to:
 - Lunch and/or dinner with vendors sometimes including spouses if the invitation is extended by the vendor.
 - Gifts of small value (under \$25) from vendors such as calendars, pens, pads, etc.
 - Tickets to events (such as sports, arts, etc.) if offered by a vendor

with whom RED has a signed contract and such contract is not being considered for renewal or extension, and the vendor accompanies the employee to the event. These are not to be solicited by the RED employee and must be approved by the Chief Executive Officer of RED-Rochester.

- Overnight outings are acceptable under the condition that individuals from either other companies or the vendor are in attendance. The employee must have prior written approval from the Chief Executive Officer of RED-Rochester.
 - The receipt of alcoholic beverages is discouraged.
 - Gifts of perishable items usually given during the holidays such as hams, cookies, nuts, etc., are acceptable. Whenever practicable these gifts should be shared with co-workers rather than taken home for personal use.
2. A strict standard is expected with respect to gifts, services, discounts, entertainment, or considerations of any kind from suppliers and must only be from those with whom we have signed contracts. Exceptions may be considered but all events must be approved by the Chief Executive Officer of RED-Rochester. These include but are not limited to:
 - Paid trips to the vendor's place of business to inspect equipment is allowed if a signed contract is in place.
 - Use of a vendor's facilities (vacation homes, etc.) by employees or their families for personal use is prohibited.
 - It is never permissible to accept a gift in cash, gift cards, or cash equivalents such as stocks or other forms of marketable securities in any amount.
 3. Management employees should not accept gifts from those under their supervision of more than limited value (under \$25).
 4. Under no circumstances must an employee ever ask for gifts, gratuities, or other items that benefit them personally, regardless of value.
 5. Employees who receive a gift at an event of a ceremonial nature (i.e., a customer outing or a commemoration of a business transaction) that might not be appropriate under these guidelines, but is impractical or offensive to refuse, may accept the gift and then promptly report it to their supervisor. The employee and the supervisor, and if necessary, the Chief Executive Officer, can discuss the appropriate response.
 6. Employees should talk to their supervisor when in doubt as to whether a gift is appropriate.

C. Conflicts Of Interest

Employees should avoid any situation which involves or may involve a conflict between their personal interest and the interest of the Company. As in all other facets of their duties, employees dealing with customers, suppliers, contractors, competitors, or any person doing or seeking to do business with the company are to act in the best interest of the company. Each associate shall make prompt and full disclosure in writing to their manager of any potential situation which may involve a conflict of interest. Such conflicts include:

1. Ownership by the employee or by a member of their family of a significant interest in any outside enterprise which does or seeks to do business with or is a competitor of the company.
2. Serving as a director, officer, partner, consultant, or in a managerial or technical capacity with an outside enterprise which does or is seeking to do business with or is a competitor of the company. Exceptions to this can be approved by the Chief Executive Officer of RED-Rochester, LLC.
3. Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving the Company or its interests.
4. Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the employee from acting in the best interest of the company.

D. Confidential Information

The revelation or use of any confidential product information, data on decisions, plans, or any other information which might be contrary to the interest of the Company without prior authorization, is prohibited. The misuse, unauthorized access to, or mishandling of confidential information, particularly personnel information, is prohibited and will subject an employee to discipline up to and including immediate discharge.

E. Compliance

Any violation of this policy will subject an employee to disciplinary action or immediate discharge. Any Company employee having knowledge of any violation of the policy shall promptly report such violation to the appropriate level of management. All management employees and officers of RED-Rochester, LLC are responsible for compliance in their area of responsibility. When questions arise concerning any aspect of this policy, contact the corporate Director, Human Resources.