THE PROBUILD CODE OF CONDUCT

As you read through the pages of ProBuild’s Code of Conduct, you should begin to sense that serving ProBuild’s customers, treating people with respect, and operating with excellence are the most important things we can do as a company.

After reading this Code, you should understand how we treat our customers, suppliers and each other. And by living up to the standards of the Code every day, our customers, suppliers, business partners and others will see that the people of ProBuild are different. We are people who can be trusted to do the right thing, be good to ourselves and others, and run a business that earns the admiration and respect of our peers and communities.

In addition, it is important for you to know that if you are ever in a situation that poses an ethical dilemma or violates the law, you are encouraged and empowered to speak up. In fact, you will never be singled out for doing the right thing, so whether you contact your manager, a Human Resources representative, the Compliance Department or our Ethics and Compliance Hotline online or at 800-461-9330, we are counting on you to make sure we operate ethically and with integrity every day.

Please commit to working each day with this Code of Conduct in mind, and thank you for all you do to help ProBuild succeed!

--Rob Marchbank, CEO

IN OUR WORKPLACE WE WILL …

…PROVIDE EQUAL OPPORTUNITY FOR ALL

ProBuild is an equal opportunity employer (EOE). We will not discriminate against you or applicants for employment on the basis of race, religion, gender, national origin, age, marital status, pregnancy, disability, sexual preference, veteran status or any other basis prohibited by law. In addition, we comply with applicable state and local laws governing nondiscrimination of employment in every city in which we have facilities. This policy applies to all terms and conditions of employment, including but not limited to, recruitment, hiring, placement, promotion, classifying, termination, layoff, recall, transfer, leaves of absence and compensation. We are dedicated to fair and impartial employment practices. ProBuild will make reasonable job-related accommodations for any qualified employee with a disability when notified by the employee that he or she needs an accommodation. As a government contractor, ProBuild supports and engages in affirmative action.

…NEVER TOLERATE HARASSMENT IN THE WORKPLACE

We are committed to providing a workplace that is free of harassment so you can work in a productive and respectful environment. You are expected to conduct yourself in an appropriate and professional manner when dealing with co-workers, customers, management and business contacts.
ProBuild prohibits harassment based on any protected category including race, sex, age, color, religion, national origin, citizenship status, veteran status, or disability, and any other category protected by local, state or federal law. Though not the only form of harassment, sexual harassment is of particular concern because many employees are unclear about what constitutes sexual harassment. Please understand that sexual harassment includes conduct such as unwelcome sexual advances, and other verbal comments or physical conduct of a sexual nature that interferes with or disrupts another person’s work environment or work performance such as showing or displaying sexually suggestive objects or pictures, and sending sexually suggestive e-mails or text messages. Such conduct is not acceptable and will not be tolerated by ProBuild.

If you have a concern about harassment or feel that you have experienced harassment, you should immediately report your concerns to the Human Resources generalist or your direct supervisor. ProBuild will promptly investigate complaints of harassment. ProBuild will take appropriate action to stop harassing conduct and prevent it from happening again. Such action may include warnings, probation, suspension, reassignment discipline and/or employee termination, depending on the particular circumstances. If the harassing conduct is the act of a non-employee, we will attempt to ensure that such conduct is not repeated. Harassment complaints will remain confidential to the extent possible. ProBuild will not tolerate retaliation against employees for reporting violations of this policy. We ask that you also report any concerns about retaliation promptly. We recognize the severe impact a false accusation has on everyone involved. Accordingly, we expect that you will be truthful and will act responsibly.

...ENFORCE THE DRUGS AND ALCOHOL POLICY

ProBuild has a vital interest in maintaining a safe and productive work environment for all employees. Drugs, alcohol or other substances may hinder job performance or judgment. ProBuild requires a drug-free workplace. Using, possessing, distributing or being under the influence of alcohol or an illegal drug while on duty on Company premises or in Company vehicles is prohibited. If you have problems related to alcohol or drugs you are encouraged to seek assistance from our Employee Assistance Program. If you are using prescription or non-prescription drugs that may impair your alertness or judgment, you can jeopardize your safety and that of your co-workers, and therefore you should inform your supervisor or manager of this fact.

...STRIVE TO PREVENT WORKPLACE VIOLENCE

Being considerate of others and exhibiting appropriate behavior helps foster a workplace that is free from violence. Acts or threats of physical harm or violence, hostile physical contact (including intimidation, harassment, coercion), or any other actions that are threatening or hostile in nature that occur on Company property or affect ProBuild operations will not be tolerated. ProBuild does not allow weapons (legally permitted or not) or explosives in Company facilities or on Company property, in Company vehicles, or while conducting company business. You are expected to report any actual or potentially violent behavior.

...PROMOTE HEALTH AND SAFETY

ProBuild is committed to providing a safe and healthy workplace for all employees. To support this commitment, you are responsible for observing the safety and health rules, policies, practices, laws and regulations that apply to your job, and for taking precautions necessary to protect yourself, your co-workers and other persons present in Company facilities. You are also responsible for immediately reporting accidents, injuries, occupational illnesses and unsafe practices or conditions to your supervisor or manager. Questions about possible health and safety hazards at any Company facility should be directed to your supervisor or manager. You may also report unsafe conditions through the Compliance and Ethics Hotline or by contacting your immediate Supervisor or Human Resources generalist. (See Compliance and Ethics Hotline and Reporting Procedures)

...PROTECT THE ENVIRONMENT

ProBuild takes pride in and is committed to caring about the quality of the environment and complying with all applicable environmental laws, rules and regulations in all of our business locations. We are committed to operating in a way that safeguards public health and safety. Let your supervisor know immediately if you are aware of any improperly handled hazardous materials. If you are aware of any significant environmental issues
that may be in violation of applicable laws, rules or regulations such conditions should be immediately reported. (See Compliance and Ethics Hotline and Reporting Procedures on page 10).

...USE COMPANY ASSETS APPROPRIATELY

We will strive to protect ProBuild’s assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on our profitability. All assets should be used for legitimate business purposes only. Any suspected incident of fraud or theft should be immediately reported to ProBuild's Compliance Department or ProBuild's Compliance and Ethics Hotline. ProBuild’s equipment should not be used for non-company business, though incidental personal use may be permitted.

Our obligation is to protect ProBuild’s assets, including its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports.

...PROTECT OUR COMPANY’S CONFIDENTIAL INFORMATION

All electronic communication systems and all communications and information transmitted by, received from, or stored in our systems are the property of ProBuild, and as such are intended to be used only for ProBuild's business purposes.

While employed by ProBuild, you may become aware of, or have access to, confidential and/or proprietary information relating to our business. This includes trade secret and directories; passwords; organizational charts; engineering data; pricing information and financial data; sales figures; proposed new services and products; advertising or marketing programs or promotions; lists of actual or potential customers and suppliers; wage and salary or other personnel information; capital investment programs; projected earnings; changes in management or policies of ProBuild; test data; suppliers’ pricing; and confidential contract terms. To protect this information and our position in the marketplace, you must adhere to the following guidelines provided in the ProBuild Confidential Information Policy.

...USE COMPANY NETWORKS, E-MAIL AND INTERNET APPROPRIATELY

Although ProBuild provides you access to computers, computer networks, e-mail systems and Internet services that are provided solely to help you do your work, incidental and occasional personal use is permitted. All information that is stored on or has passed through ProBuild’s servers is the exclusive property of ProBuild. Users have no right or expectation of privacy with regard to the use of electronic resources or with regard to information that is stored on ProBuild’s servers.

...COMPLY WITH THE COMPANY’S POLICIES FOR SOCIAL MEDIA USE

ProBuild maintains a Social Media Usage policy. You are expected to review and comply with this policy. Please review ProBuild’s Social Media and Media Relations and Other Inquiries Policy.

...NEVER STEAL ANOTHER COMPANY’S CONFIDENTIAL INFORMATION.

Stealing someone else’s confidential or proprietary information, acquiring trade secrets without an owner’s consent, or obtaining from past or present employees unauthorized disclosures of other companies’ confidential information, is expressly prohibited. If you have signed a non-disclosure agreement with a customer or potential customer or supplier, you are required to send a copy of such agreement to ProBuild’s Legal Department. If a customer or supplier requests that you sign their non-disclosure agreement and you have any questions, you must contact ProBuild’s Legal Department. You are obligated to inform us of any confidentiality agreement you signed with a previous employer. You should always respect the rights of, and deal fairly with, our customers, suppliers, competitors and employees.
… KEEP OUR COMMITMENTS

We know that in business – as in life – our word is an important element that helps shape our reputation in the marketplace. To that end, you will work hard to ensure that you keep your commitments to our customers, suppliers and each other. We also understand that situations sometimes arise that can cause us to miss a deadline or break a promise. Understanding that safety is paramount, we will work hard to avoid these situations and always honor our commitments. If you have reason to believe that you may miss a contract deadline or commitment, you are encouraged to contact ProBuild’s Legal Department for guidance.

… PROVIDE AN ENVIRONMENT FREE FROM RETALIATION

ProBuild strictly prohibits any form of retaliation against you for reporting any violation of this Code or cooperate in the investigation of such reports. In accordance with this Code, we will take appropriate disciplinary action for any such retaliation, up to and including termination.

TO CONDUCT BUSINESS IN AN HONEST AND ETHICAL MANNER WE WILL …

At ProBuild, we are building our reputation on a foundation of honest and ethical behavior. We strive to achieve a competitive advantage in the conduct of our business through fair, honest and superior performance – never through questionable, unethical or illegal business practices. In conducting ProBuild’s business, you should never take unfair advantage of another person through manipulation, concealment, abuse of privileged information, misrepresentation of facts, fraudulent behavior, or any other intentional, unfair dealing practice.

You must always engage in legal and ethical conduct no matter what the circumstances are, even if it means losing business or profits.

… COMPLY WITH ALL LAWS

ProBuild’s policy is to conduct its business in compliance with applicable laws, rules and regulations. You should not engage in any unlawful activity while conducting Company business or performing your day-to-day company duties, nor shall you instruct others to do so.

FOR OUR COMPANY’S RECORDS WE WILL …

… KEEP ACCURATE RECORDS AND NOT TOLERATE QUESTIONABLE ACCOUNTING PRACTICES

We require honest and accurate recording and reporting of information and record keeping in order to make responsible business decisions. The integrity of ProBuild’s record keeping and reporting systems must be maintained at all times. Records include, without limitation, time-reporting documents; travel and business meeting expense reports; and accounting or other financial records. All corporate records for which you are responsible must be true, accurate and complete and must fairly present the nature and purpose of the activity recorded. No false, misleading or inaccurate records or entries shall be made for any reason. No false entry or document that obscures the true purpose of the underlying transaction shall be made in the books and records or in the reports of the Company or its subsidiaries for any reason. If you are authorized to make expenditures on behalf of ProBuild, you must ensure that the applicable records comply with ProBuild’s accounting and purchasing policies and that all transactions are properly recorded.
Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports.

All Company records must be retained for the time periods specified by ProBuild’s Record Retention Policy. The retention requirements apply to not only hard-copy materials, but also all mechanical, electronic, or magnetic records, correspondence, memoranda, electronic mail (“e-mail”), invoices, contracts, agreements, orders, notes and drafts. Prior to destruction of any corporate records, consult with your manager to ensure that you comply with ProBuild’s Record Retention Policy. Documents relevant to any pending, threatened, or anticipated litigation, investigation, or audit shall not be destroyed for any reason until ProBuild’s Legal Department expressly authorizes destruction.

REGARDING BUSINESS AND PERSONAL RELATIONSHIPS WE WILL …

… NOT ENGAGE IN POLITICAL ACTIVITIES WITHOUT APPROVAL

You may not make any political contribution on behalf of ProBuild or through the use of corporate funds or resources except as approved in writing by ProBuild’s Legal Department.

You may make personal political contributions to a candidate or political action committee only with non-reimbursable personal funds. Any involvement in political activities must occur during your personal time and shall not interfere with your work for ProBuild. General Managers and above in Operations, and Directors and above at the Denver Home Office, must disclose and receive approval for servicing in or accepting an appointment for any local, municipal, county, state or federal government position, office, board, commission or agency. Please refer to ProBuild’s Corporate Outside Activities Policy for further information. If you engage in political activities, you must make every effort to ensure that you do not create the impression that you are speaking or acting on behalf of ProBuild.

… FOLLOW PROBUILD’S “BUSINESS ENTERTAINMENT” AND GIFT GUIDELINES

We award business to our suppliers, consultants, partners, and other third parties based on the merits of their products and services but never based on gifts or entertainment. It is ProBuild's policy to deal with suppliers, customers and all other persons doing business with ProBuild in a completely fair and objective manner, without favor or preference based on personal considerations. Directly or indirectly offering, providing, or soliciting anything of value in return for favorable treatment in connection with a contract or subcontract is a violation of company policy.

You are not to give or accept any cash or cash equivalent gifts at any time. You shall not give gifts that could be viewed as a bribe. Further, you should never give or receive a gift to or from a customer, prospective customer or supplier for anything of cumulative value over $50 annually. You may not provide any government employee any gift or entertainment in connection with past, current, or future work performed by ProBuild for any government agency.

Participation in business entertainment provided by or through a customer, supplier, consultant, partner or any other third party that does or seeks to do business with ProBuild may occur only if any such participation could not reasonably be perceived as a bribe, kickback or inducement, or likely to lead to the granting of special consideration in business conducted with ProBuild, to any person or organization.

If you conduct negotiations with prospective suppliers or subcontractors, you will make certain that the suppliers’ and subcontractors’ representatives are fully informed of ProBuild's position regarding gifts, gratuities and favors.

Please review the Frequently Asked Questions section at the end of this Code of Conduct and the Business
Entertainment and Workplace Gifts Policy for further details.

... COMPLY WITH ANTITRUST LAWS

ProBuild is subject to antitrust and competition laws. In general, most antitrust laws prohibit agreements or actions that may restrain trade or reduce competition. Those laws generally make it illegal for competitors to agree on, fix or control prices and price-related terms; to allocate markets, customers or sales among competitors; to engage in collusion with competitors on bids or proposals; or to reach any agreement that unreasonably restrains trade in any market. These laws also prohibit boycotts of specified suppliers or customers; efforts to misrepresent disparage or harass competitors; coordination with competitors to allocate products, territories or markets; or competitor agreements to limit the production or sale of products for anti-competitive purposes; and certain exclusive dealings arrangements. Special care must be exercised to ensure that any activities undertaken with representatives of other companies, particularly our competitors, are not viewed and would not be construed as violations of any antitrust laws. The antitrust laws are complex and their requirements are not always obvious. Questions about a particular situation should be directed to the ProBuild Legal Department before you take any action.

... NEVER OFFER OR ACCEPT BRIBES OR KICKBACKS

You must never give, offer, solicit, or receive -- directly or indirectly -- any bribes, “kickbacks” or other thing of value designed to influence or compromise the conduct of a person, government agency or company for which we do or want to do business. You shall not (i) pay bribes to government officials to obtain favorable rulings, (ii) pay or receive rebates of kickbacks for obtaining business for or from ProBuild (iii) pay or receive any money, gifts, loans, or other things of value that may tend to influence business decisions or compromise business judgment, or (iv) any other activity that would similarly degrade the reputation or integrity of ProBuild. You must comply with the U.S. Anti-Kickback Act, which prohibits giving anything of value, including paying for their lunch, to an employee of a prime U.S. government contractor or higher tier subcontractor in order to obtain or reward favorable treatment.

... AVOID CONFLICTS OF INTEREST

You are in a position of trust regarding the situations where your personal interests could conflict or appear to conflict with the interests of ProBuild. You must shield yourself and ProBuild from conflicts of interests, which occur when anything interferes with or influences your exercise of independent judgment in the best interest of ProBuild. You must avoid situations in which a personal interest may conflict with, or even appear to conflict with, those of ProBuild. Conflicts sometimes occur when you take or participate, directly or indirectly, in an action that may place your own financial interest at odds with the interests of ProBuild. Where a conflict exists, it must be resolved in order for the employer/employee relationship to continue.

If you need a conflict of interest determination or have any questions regarding this policy, you should submit information to the Compliance Department for review and guidance. Also, please refer to the Guidance on Conflicts of Interest Attachment and the Corporate Policy on Outside Activities for more information.

REGARDING BUSINESS RELATIONSHIPS AND CONTRACTS FOR FEDERAL, STATE AND LOCAL GOVERNMENT PROJECTS WE WILL …

The laws and regulations governing contracting with federal, state or local governmental agencies impose different and more extensive requirements than those that apply to commercial projects and customers. Violating government requirements could subject ProBuild to damaging litigation, debarment and/or debilitating publicity. If you interact with governmental officials in connection with their official duties, you must be familiar and strictly comply with all laws and regulations applicable to transactions with the governmental agency involved. Failure to do so could also subject individuals to Company discipline, civil charges and/or criminal prosecution.
Also, if you have any questions regarding government contracting or the above rules, please contact ProBuild’s Legal or Compliance Department.

The following are some of the more notable areas in which government-contracting rules are different, or more stringent, than the rules that would be applicable in the commercial context:

… MAINTAIN INTEGRITY IN CONTRACTING

If you prepare bids or proposals that will be submitted to a government agency or other customer doing federal project work, you must insure that such bids are bona fide and legitimate, and you must be absolutely certain that there are no misrepresentations or intentional omissions in any of the information provided. ProBuild prohibits you from misrepresenting experience, capacity and capabilities to perform work on a project.

Bid-rigging occurs when competitors agree in advance to sway the probability of a government contract award in a competitive bidding process. Instances of bid-rigging can include, but is not limited to, if competitors agree to withdraw a bid so the other competitor can succeed, “courtesy bidding” where two competitors agree to bid at high pricing; and bid rotation schemes where competitors agree to take turns being the lowest bidder. Bid-rigging is illegal and will not be tolerated by ProBuild. If you have any questions or concerns, please contact ProBuild’s Legal Department.

All federal and some state and local projects require compliance with the “Buy American Act” which applies to contracts for the construction, alteration, or repair of any public building or public work in the United States. Simply put, the materials that we supply to projects must be made in the United States. This domestic preference requirement has a broad scope with very limited exceptions.

Both local governments and the Federal government have ethics policies governing conduct by government procurement officers or “contracting officers”. Such polices can include, but are not limited to, prohibitions from communicating with bidders during a competitive bidding process, acting impartially toward contractors; and prohibitions from accepting gifts or anything of value. In addition, procurement officers are prohibited from releasing information regarding other contractor bid or proposal information. As such, you may not ask for access to proprietary, confidential, and classified information, if such information has not been previously made publicly available or disclosed publicly. Breaches of such policies can compromise such procurement officers as well as the contractors involved in such conduct.

Offers to hire (including discussion of hiring) government employees, including military officers who are working on a federal project with which ProBuild is involved, is prohibited. This government employee prohibition may also apply to various states and municipalities. If you contemplate hiring a federal government employee or before hiring a former government employee, you must contact ProBuild’s Human Resources and Legal Departments.

… ENSURE INTEGRITY OF OUR FINANCIAL PRACTICES AND AVOID FALSE CLAIMS

You must ensure that all costs and time of work performed are properly classified and charged accurately to the correct project, or federal, state or local government contract or department. All accountings for contract costs must comply with applicable government regulations and ProBuild’s own financial policies. You also must ensure that all invoices accurately reflect the actual amount due for any product provided and/or services rendered, are properly screened for unallowable costs, and are presented for payment in accordance with the terms of the contract. In addition, all invoices shall truthfully and accurately reflect the value of the goods provided to a project.

You must ensure that no false, fictitious, or fraudulent statements are made to any federal agency. False statements can arise if submitting information to the government (or a customer who does business with the government) in pursuit of a contract, submitting reports and other required information during the performance of a contract, or submitting false, fictitious or fraudulent information in closing out a contract.
In addition, you must not make a false claim for additional compensation from a local or federal government agency. Examples of false claims include charging for materials not used in a project, or artificially inflating a claim in order to negotiate additional compensation from the government or a customer.

False, fictitious, deceitful or fraudulent statements or claims can expose you and/or ProBuild to a violation of the Federal False Claims Act and may subject you and/or ProBuild to civil and criminal liability, as well as debarment from acting as a government contractor, subcontractor or supplier. Accordingly, if you know, or reasonably should know, that another employee has submitted, or intends to submit, false, fictitious, or fraudulent statements or a false claim and fail to report it to the Compliance Department, you will be subject to discipline, which may include termination.

... COMPLY WITH THE TRUTH IN NEGOTIATIONS ACT

For certain federal contracts, the Federal Truth in Negotiations Act may require ProBuild as a prime or subcontractor to submit “cost or pricing data” to the federal government and to certify that it is current, accurate and complete as of the date of agreement on price. Discrepancies and/or inaccuracies may give rise to civil and criminal exposure for “defective pricing.” If you have any questions, please contact ProBuild’s Legal Department.

...CONFORM WITH PRODUCT SPECIFICATIONS AND TESTING

All goods and services provided to a governmental agency must conform to the project plans and specifications. No substitutions or deviations are permitted. All testing and quality control requirements specified in a government contract must be performed fully and accurately. Knowingly furnishing goods and services that do not meet government specifications without informing the government may expose ProBuild and the participants to civil charges and criminal prosecution.

... MAINTAIN SOCIO-ECONOMIC OBLIGATIONS, AFFIRMATIVE ACTION AND COMPLIANCE

Federal and local governments have various types of procurement mandates and/or goals that contain utilization of diversity contractors, which can include, but are not limited to, women-owned businesses, veteran-owned businesses, service disabled veteran-owned businesses, minority-owned businesses, HUBZone businesses, disadvantaged businesses and small businesses. If you are involved in a government contract, you must be familiar with the rules and regulations regarding utilization of diversity businesses. In addition, if you intend to subcontract, form a joint venture or otherwise team with diversity contractors, you must first contact ProBuild Legal Department to ensure compliance with such arrangements. Also, ProBuild is committed to compliance with the federal government’s Affirmative Action policy. If you have any other questions, please contact ProBuild’s Human Resources Department and see the Socio-Economic Obligations, Affirmative Action and Compliance Policy for more information.

... COMPLY WITH FEDERAL LABOR LAWS

ProBuild is committed to compliance with all applicable labor laws. If you are working as a prime contractor or subcontractor or supplier on a government project, ProBuild must comply with federal labor laws issued by the U.S. Department of Labor. These laws include The Walsh-Healey Act, which governs supply contracts, the Davis-Bacon Act governing construction contracts, and the Contract Work Hours and Safety Standards Act (CWHSSA).

The Davis Bacon and Related Acts (DBRA) requires all contractors and subcontractors performing work on federal construction contracts or federally assisted contracts in excess of $2,000 to pay their laborers and mechanics no less than the prevailing wage rates and fringe benefits for corresponding classes of laborers and mechanics employed on similar projects in the area. In addition, the DBRA requires that a company must maintain payrolls records and submit certified payrolls.

The CWHSSA applies to federal and federally assisted construction contracts over $100,000. It requires contractors and subcontractors on covered contracts to pay laborers and mechanics employed in the performance of the contracts one and one-half times their basic rate of pay for all hours worked over 40 in a
workweek. This Act also prohibits unsanitary, hazardous, or dangerous working conditions on federal and federally financed and assisted construction projects.

If you have any questions, please contact ProBuild’s Legal Department, Human Resource Department or please review the U.S. Department of Labor Website at www.dol.gov.

…MONITOR LOBBYING ACTIVITIES

Federal, state, and local governments regulate certain activities (including face-to-face meetings and correspondence) conducted to influence a governmental official’s decision regarding the award, modification, continuation, extension, or governmental agency contract. As a governmental contractor, ProBuild must disclose any such lobbying activities and may not charge their costs to any governmental contracts. You should consult with Legal Department prior to engaging in any lobbying activities.

… COMPLY WITH THE EXPORT CONTROL ACT

U.S. Export Control laws restrict sales or transfers outside the U.S. of materials, goods, services, technology and technological data to prohibited countries, entities and/or individuals. Generally, the restrictions are intended to protect national security and apply to products or technology that could have significant military uses. The Export Control laws are broad in scope. If you propose to export any product or service from the U.S. or transfer technical data from one country to another, share proprietary information with foreign nationals or take a laptop computer and software on an international business trip, you should first consult with ProBuild’s Legal Department.

… COMPLY WITH THE FOREIGN CORRUPT PRACTICES ACT

The Foreign Corrupt Practices Act was enacted to prohibit payments by or on behalf of U.S. companies (and their subsidiaries) outside the U.S. to foreign government officials to secure or retain businesses. If you have been asked to sell to a foreign government or sell supplies to a foreign project, you are first required to contact ProBuild’s Legal Department.

… PROVIDE TRUTHFUL CERTIFICATIONS

Some contracts with government entities may require ProBuild to provide certifications or other representations indicating that specific procedures have been followed, particular materials have been used, or required testing and inspection have been performed. In addition, certifications can include representations regarding business size, labor law compliance, and “Buy American” and other government health, safety and purchasing laws. If you prepare certifications in connection with an agency’s requirements or government regulations you must ensure that all representations are truthful and accurate.

… COMPLY WITH SPECIAL GOVERNMENT CONTRACT PROVISIONS

If ProBuild is acting as a prime government contractor (meaning that is has a direct contract with a government agency) the federal government, along with most local and state governments, have mandatory contract provisions (i.e., “Terms and Conditions”) that must be followed. In turn, prime contractors are required to “flow-down” or pass-down those provisions to their subcontractors and suppliers. These provisions can range from utilization of minority, and other small businesses in contracting, to notice and claims procedures, and from contract termination to ethics and conduct standards. In addition, the federal government requires that prime contractors, subcontractors and suppliers have certain compliance systems in place. It is important that ProBuild keep its commitments and honor its contract obligations. In addition, if you ever have any questions regarding Federal, state or local government contracts please contact ProBuild’s Legal Department.

… HONOR THE CODE EVEN IF PROBUILD IS A SUBCONTRACTOR OR SUPPLIER

If ProBuild is working on a project as a subcontractor or supplier to a government prime contractor, even if directed by the government prime contractor, you must never violate the policies set forth in this Code. If you
are asked by a customer who is a government contractor to break the law or participate in an act that is illegal, you have the affirmative obligation to report the prime contractor to the Federal government. If you have questions or concerns regarding a prime contractor asking you to do something in violation of this Code, you must immediately contact ProBuild’s Compliance Department.

…COMPLY WITH THE FEDERAL GOVERNMENT CONTRACTING AND CODE OF BUSINESS ETHICS AND CONDUCT

The Federal government mandates that all federal contractors and subcontractors that are not small businesses maintain a Code of Business Ethics and Conduct in compliance with Federal Acquisition Regulations and related Federal Laws. In addition, if you are working on any federal government contract or project either as a prime contractor or subcontractor, you must contact ProBuild’s Compliance Department in order to receive training. In addition, you may be asked to provide a copy of ProBuild’s Code of Business Ethics and Conduct to the federal government or our customer. In such case, please immediately contact ProBuild’s Legal or Compliance Department.

CODE ENFORCEMENT

REPORT FRAUD OR ANY OTHER VIOLATION OF OUR CODE

It is your responsibility to report any violations of our Code, or any other items that may be considered fraud. If you identify any violations, please see the “Compliance and Ethics Hotline Reporting Procedures” further described in this Code. You may remain anonymous when you report.

DISCIPLINE FOR VIOLATIONS

If you violate the spirit or letter of the Code or any Company policies, you are subject to disciplinary action deemed appropriate by ProBuild up to and including termination of employment. The Company may refer for criminal prosecution violations of applicable laws and regulations. The following are examples of prohibited conduct that will result in discipline:

• Actions that violate the Code or Company policy
• Requesting others to violate the Code or Company policy
• Failure to promptly raise a known or suspected violation of the Code or Company policy
• Failure to cooperate in any investigation of possible violations of the Code or Company policy
• Retaliation against another employee for reporting a violation of this Code
• Falsely reporting a violation of this Code or Company policy

Violations of the Code or any Company policy can also mean breaking the law, potentially subjecting you and ProBuild to criminal penalties (fines, jail sentences or both) and civil sanctions (damage awards or fines).
REPORTING PROCEDURES

COMPLIANCE AND ETHICS HOTLINE

You must promptly report any concerns you may have about actions that have taken place, may be taking place, or may be about to take place that violate or would violate this Code, or any Company policy. In addition, you are expected to immediately report any actual or potentially violent behavior that could cause risk to others. Communications may be written or oral, and may be anonymous. All reports will be treated as strictly confidential. You are required to cooperate in any investigations into compliance with this Code or Company policies.

You have four ways you can or ask questions regarding this Code, or raise concerns regarding any known or possible violations:

- Employee
- Immediate Supervisor
- Compliance and Ethics Hotline
- Compliance Department
- HR Generalist

It is always preferred, if the situation allows, that you are in communication with your immediate supervisor. You may also report the potential violation to your Human Resources generalist or the Compliance Department. Alternatively, you may at any time anonymously report any complaints or observed illegal or unethical behavior through an independent, third-party service provider, MySafeWorkplace referred to as the Compliance and Ethics Hotline. We have chosen MySafeWorkplace as our incident reporting system to aid in compliance with this Code and other Company policies. Through the Compliance and Ethics Hotline, you may confidentially and anonymously report workplace concerns such as fraud, harassment and unsafe conditions. The Ethics and Compliance Hotline may be accessed by either of the following methods:

- By calling the hotline 24 hours a day at 800-461-9330

You may choose to identify yourself when reporting to the Hotline, but it is not required. ProBuild will protect the identity of any person who reports potential misconduct. All reports, including anonymous ones, will be investigated.
ProBuild prohibits you, including your managers and supervisors from retaliating or taking adverse action against anyone for raising or helping to resolve an integrity concern made in good faith. Indeed you, your officers, or directors who engage in retaliation are subject to discipline, up to and including termination, and in appropriate cases, civil and/or criminal liability. We will also use reasonable efforts to protect the identity of the person about or against whom an allegation is brought, unless and until it is determined that a violation has occurred. Any person involved in any investigation in any capacity of a possible misconduct must not discuss or disclose any information to anyone outside of the investigation unless required by law or when seeking his or her own legal advice and is expected to cooperate fully in any investigation. Any use of these procedures in bad faith or in a false or frivolous manner is a violation of this Code.

CODE OF CONDUCT COMPLIANCE GUIDANCE

We must all work to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- **Make sure you have all the facts.** In order to reach the right solutions, we must be as fully informed as possible.

- **Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?** This will enable you to focus on the specific question you are faced with and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

- **Clarify your responsibility and role. In most situations, there is shared responsibility.** Are your colleagues informed? It may help to get others involved and discuss the problem.

- **Discuss the problem with your supervisor.** While you are not required to first discuss a possible or known violation of this Code with your supervisor, in many cases your supervisor will be more knowledgeable about a question and will appreciate being brought into the decision-making process. Remember that it is your supervisor’s responsibility to help solve problems.

- **Seek help from Company resources.** In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with your office manager, Human Resources generalist or the Compliance Department. Another resource to report any concern is the Compliance and Ethics Hotline via the web at [http://www.mysafeworkplace.com/SplashPages/probuild/probuild.html](http://www.mysafeworkplace.com/SplashPages/probuild/probuild.html) or by calling the hotline at 800-461-9330.

- **You may report ethical violations in confidence and without fear of retaliation.** If your situation requires that your identity be kept secret, your anonymity will be protected. ProBuild does not permit retaliation of any kind against you, your officers and directors for good-faith reports.

- **Always ask first, act later:** If you are unsure of what to do in any situation, seek guidance.

As a member of the ProBuild family, you have a responsibility to adhere to ProBuild’s Code of Conduct. The Training department will conduct an online Code of Conduct training course annually for all General Managers and above, Denver Home Office employees and outside sales staff. It is a requirement that they complete this training.