Business ethics policy (option 2)

**Political Activities**

Federal law prohibits corporations from donating corporate funds, goods or services, directly or indirectly, to candidates for federal office. Corporate donations in connection with state and local elections are not prohibited by federal law, but they are controlled by state and local statutes and regulations. ABC employees may not make any political contribution on behalf of the Company or through the use of corporate funds or resources except as approved by the President.

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 ABC. If you engage in political activities, you must make every effort to ensure that you do not create the impression that you speak or act for the Company.

**Dealings with Suppliers and Vendors**

All Company purchases of goods and services are based solely on quality, service, price and suitability. To best serve our interests, ABC will establish mutually beneficial, long-term relationships with its suppliers and vendors. We will not favor a firm when purchasing materials or services based solely on its customer status. You should not tell a prospective supplier that ABC’s decision to purchase its products or services is contingent on the supplier’s agreement to purchase ABC products or services. Such reciprocity in our relationships with suppliers or vendors can prevent the Company from purchasing the best available materials or services at competitive prices.

You should deal with another entity with respect to only a single business relationship at any given time. For example, you shall not attempt to link the sale of ABC services to the Company’s purchase of goods or services.

When dealing with suppliers, avoid any agreements that would restrict ABC’s ability to purchase from another supplier. Such agreements may raise issues under the antitrust laws and should be brought to the attention of the President’s office.

**Dealings with Customers**

All Company dealings with customers and potential customers must be fair, honest and impartial. ABC acquires and retains business based on its high quality services and competitive prices. You should market products and services on their merits, competitive pricing, advantages and superior quality, rather than through the disparagement of competitors, their products or services.

ABC is committed to advertisements that are fair and accurate and comply with all applicable laws. The use of false or misleading statements to sell or market ABC services is strictly prohibited. Customers and potential customers are entitled to receive accurate information regarding prices, capabilities, tariffs and scheduling. Employees must immediately correct any misunderstanding that may exist with a customer or potential customer.

**Dealings with Competitors**

There are a number of federal and state laws that protect competition in the marketplace. The laws, known as “antitrust” laws, prohibit agreements and practices that are “in restraint of trade,” such as price fixing, restrictive agreements, exclusive or reciprocal dealings, price inducements, boycotts, and discriminatory allowances. ABC must compete aggressively and fairly in the marketplace, in strict adherence to all antitrust laws.

Employees shall not enter into any arrangement or understanding with a ABC competitor that could be construed as allocating customers among competitors; dividing sales by markets, territories, products or services; restricting or allocating exports or imports; or controlling or limiting production, quality or research.

Furthermore, you may not, under any circumstances, discuss or compare with ABC competitors any information concerning:

Coordination or discussion of these sensitive areas may be construed as illegal, anti-competitive conduct, even if they are discussed in the context of a trade or industry association meeting.

In the ordinary course of business, contact with competitors may occur and, when properly controlled, is acceptable in carrying out lawful business activities. To avoid any appearance of impropriety, however, you should avoid meeting with a competitor outside of a controlled situation. During meetings when competitors are in attendance, you should adhere to a prescribed meeting agenda and maintain minutes of the meeting. When chance meetings with competitors occur (e.g., when entering or leaving the office of a customer), limit conversations to the exchange of pleasantries. If a competitor brings up any business topic of a prohibited nature – whether directly or indirectly, or whether orally or in writing – employees should not engage in any dialogue. Terminate the conversation immediately and tell the competitor that you cannot, under any circumstances, discuss these matters. You should also report the communication promptly to the President’s office.

**Acquiring Information about Others**

You may not acquire, or seek to acquire by improper means, a competitor’s trade secrets or other proprietary or confidential information. Industrial espionage, trespassing, wiretapping, and stealing are illegal. Other improper, although perhaps less obvious, practices include actions such as hiring a competitor’s employee to obtain confidential information. Additionally, the Company cannot hire consultants to obtain information using improper means. Improper solicitation, in any manner, of confidential data from a competitor or competitor’s customer violates ABC policy.

It is common to acquire information about other companies and current or potential suppliers, vendors, customers or competitors. You must maintain the confidentiality of this information. Moreover, you may not acquire confidential or proprietary information (including technology) about other companies through improper means, such as deceit, misrepresentation or receipt of information illegally acquired by a third party, or from unauthorized present or former employees.

You shall use sensitive information about other companies only for legitimate business purposes. In addition, you shall make such information available only to ABC personnel having a real business need for the information.

**Legal, governmental and media inquiries**

All communications coming into the Company from attorneys, governmental entities, or members of the media or trade press should be directed to the President. This practice will help guarantee uniform responses and will give us more time to effectively prepare well thought-out responses.

THiS POLICy is LEGALLY ESSENTIAL