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GIFTS AND ENTERTAINMENT POLICY



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INTRODUCTION

At STO Building Group (“STOBG”), we are committed to doing the right thing—every day, for every client, on every jobsite. We must act in compliance with all applicable laws and with integrity in our interactions with clients, business partners, and each other.

While we want our clients and stakeholders to judge us based on the quality of our services, exchanging lawful and reasonable gifts, entertainment, and other business courtesies can be an accepted aspect of building business relationships. We may only provide or accept gifts and entertainment that are legal, appropriate, and consistent with our ethical standards. We must never offer, provide, or accept gifts or entertainment when doing so would improperly influence, or even appear to improperly influence, a business decision. Inappropriate gifts or entertainment can create a conflict of interest or the appearance of bribery.

We’ve developed this Gifts and Entertainment Policy (“Policy”) to help you make the right decisions when providing or accepting gifts or entertainment while conducting business on behalf of STOBG. This Policy applies to each of the member companies of STO Building Group, and when we refer to “STOBG,” the “company” or “organization,” “we,” “us,” or “our” in this Policy, we mean the member companies of STO Building Group, both individually and collectively.¹ All employees of STO Building Group, its member companies, subsidiaries, and affiliates, as well as members of STOBG’s board of directors and third parties when acting on behalf of our organization (collectively, “employees”), must follow this Policy. This Policy is to be read together with STOBG’s Code of Conduct and Business Ethics (“Code”), Anti-Corruption Policy, Supplier Code of Conduct and Ethics, State and Local Government Projects Policy, and any local or company-wide expense policies.

OUR RESPONSIBILITIES

We Comply With This Policy

Strict compliance with this Policy is required. Even gifts and entertainment exchanged in a personal capacity must comply with this Policy when you interact with company clients or business partners. Managers are responsible for communicating this Policy to their

employees and making sure they comply with it. Business unit leaders may, at their discretion, establish more stringent standards than those set forth in this Policy, but never less stringent.

Expenses incurred in violation of this Policy will not be reimbursed. Anyone found to be in violation of this Policy, and managers who knew or should have known about such violations, may be subject to disciplinary action, up to and including termination.

We Comply With the Law

We comply with the letter and spirit of all laws and regulations applicable to our business. Customs or local practices may never take precedence over legal requirements. You are responsible for understanding and complying with the laws and regulations relevant to your role and location. Where applicable laws and regulations differ from the requirements of this Policy, you must follow the higher legal or ethical standard. If you’re unsure about how to comply with any law or regulation, contact the Compliance & Ethics Department or the Legal Department.

We Speak Up

No policy can anticipate every situation that may arise. This Policy isn’t intended to be all-inclusive, but rather is meant to provide guiding principles and encourage open communication about the standards of conduct expected of our employees. You should always exercise prudent judgment and common sense and, if you have questions about the Policy, seek guidance from any of the following company resources:

- your manager, department head, or business unit leader
- a member of STOBG executive management
- your compliance liaison or the Compliance & Ethics Department
- the Human Resources Department
- the Legal Department

We all have a duty to speak up and report suspected violations of this Policy. If you have information about a potential violation of this Policy, you must promptly

¹ This policy applies unless STOBG executive management has approved a local gifts and entertainment policy (“local G&E policy”) for your business unit. In that case, you must follow the local policy of your business unit.

report it to any of these resources. Disregard of this duty may have serious consequences.

You may also report anonymously through our 24/7 helpline, operated by a third party unaffiliated with STOBG, by calling the below toll-free numbers or visiting the online portal.

Call toll-free: 800.461.9330 in the US
1.800.235.6302 in Canada
1800.904.177 in Ireland
0808.189.1053 in the UK

Online: compliancehelpcenter.com

Any reports made, whether anonymous or not, should include as much detail as possible to allow the company to investigate the matter appropriately. Regardless of who you contact to make a report of potential misconduct, your concern will be handled promptly, thoroughly, and consistent with applicable law. Investigations, and the identities of those involved, will be kept confidential to the extent possible. The company will take appropriate action based on the findings of its investigation.

We Don't Retaliate

We pride ourselves on maintaining an environment where employees are encouraged to speak up when they suspect something is wrong. We have a strict Anti-Retaliation Policy to protect those who:

- Raise a concern or seek guidance about an issue.
- Make a good faith report about potential misconduct. "Good faith" means the person brought forward what they know in a sincere and honest report, regardless of whether the conduct turns out to be unethical.
- Cooperate in an investigation of potential misconduct.

Allegations of retaliation will be investigated and, where substantiated, met with severe discipline, up to and including termination. If you know or suspect that retaliation has occurred or is occurring, report the matter immediately to a company resource. If you prefer to submit a written report, you can use STOBG's internal complaint form for reporting harassment, discrimination, and retaliation, which is available on our intranet.

DEFINITIONS

The following definitions apply when the defined terms are used in this Policy.

A **"gift"** is anything of value exchanged between a company employee and a third party for which the recipient does not pay fair market value. Examples of gifts include:

- tangible items, like gift baskets and bottles of wine
- branded promotional items
- use of facilities or physical property
- cash or cash equivalents, such as gift cards, vouchers, checks, money orders, stock, and stock options
- lodging and transportation
- services
- loans or forgiveness or guarantees of loans
- discounts or favorable terms on a product or service that are not otherwise available to company employees

"Entertainment" is a business courtesy where you attend an event or activity *with* a company client or business partner. Examples include meals, refreshments, parties, and cultural and sporting events (e.g., golf outings and hunting or fishing trips). Such business courtesies are considered entertainment only when *you are accompanied* by a company client or business partner. They are considered *gifts* when *you are not accompanied by a company client or business partner* (for example, you give tickets to a concert to a company client, but you do not attend the concert, or a company business partner gives you tickets to a baseball game but does not attend with you). As set out in this Policy, gifts are subject to different rules than entertainment.

The terms "gift" and "entertainment" mean not only the actual act of giving or receiving, but also any *offer* or *promise* to provide a gift or entertainment in the future. When in doubt, apply the broadest reasonable meaning to these terms.

A company **"business partner"** includes a current or prospective vendor, subcontractor, consultant, or any other third party with which STO Building Group does

business or reasonably could do business. The term “business partner” does not include clients.

A company “**client**” is any person or entity for which STO Building Group performs services, is seeking to perform services, or reasonably could perform services in the future.

A “government official” is defined to include any of the following *and their close family members*:²

- an elected or appointed official of a government entity
- an employee of a government entity
- anyone acting on behalf of a government entity or performing a government function, even if temporarily
- candidates for public office and persons acting on their behalf
- officers, employees, or persons acting on behalf of a political party
- officers, employees, or persons acting on behalf of a public international organization, such as the United Nations

“Government” includes all levels of government (foreign, domestic, federal, national, state, regional, provincial,

Examples of government officials include the following individuals and their close family members:

local, tribal, or other) and all branches (executive, judicial, legislative, or administrative).

Employees of any entity that is wholly or partially owned or controlled by a government, such as government-run universities, school systems, hospitals, utilities, laboratories, financial institutions, and defense contractors, are also considered government officials for purposes of our policies. Employees and representatives of any entity that tenders a public construction project usually are considered government officials as well.

Employees of private sector entities are considered government officials when they act on behalf of a government entity (including any independent regulator) or when they exercise a government function. For example, employees of certain private sector entities providing what are historically governmental functions, including certain K-12 educational institutions and higher educational institutions, correctional facilities, and libraries, may be considered government officials under applicable law and this Policy. Additionally, if you are working on a project for a client receiving government funding or government benefits (such as tax breaks) in connection with that project, be particularly mindful that you may be dealing with individuals acting on behalf of the government or exercising a government function.

Type of government official	Examples
Employee of a government entity	Project manager for a state construction authority, permit coordinator or inspector for a city building department, firefighter, or law enforcement officer
Elected or appointed official	A governor, mayor, legislator, council member, or judge
Candidate for public office	A candidate for the local legislature
Officer or employee of a government-owned or -controlled entity	The COO of a government-owned telephone company or bank, a procurement officer at a state university, a purchasing manager at a city-run hospital
Officer, employee, or representative of a public international organization	An employee of the International Monetary Fund (IMF), Red Cross, or World Health Organization (WHO)
Officer, employee, or representative of a political party	The head of a local political party

² “Close family members” include an individual's spouse, domestic partner, person to whom the individual is engaged to be married, parents, grandparents, children, grandchildren, siblings, and any family member or other person who lives with or is financially dependent on the individual or on whom the individual is financially dependent.

Type of government official	Examples
Private person acting temporarily on behalf of a government entity	A private consultant acting under government authority

If you have questions about who is considered a government official, contact the Compliance & Ethics Department. Additionally, always check a proposed recipient's gifts and entertainment policy to ensure that the considered conduct complies with that policy.

GENERAL REQUIREMENTS FOR ALL GIFTS AND ENTERTAINMENT

Only specifically designated employees may exchange gifts and entertainment with company clients and business partners. You must first consult with your department head to ensure that you are permitted to provide or receive such gifts or entertainment.

Any gift or entertainment that you provide or accept must meet all of the following ten criteria:

1. It must be permitted by law.

You must never provide or accept anything that violates the law.

2. It must be permitted by the policies of any involved or affected third parties.

Before offering or accepting any gift or entertainment, make sure you know about any policies that would prohibit or restrict the activity. Many of these policies are available publicly on company or government websites.

3. Entertainment must be business-related, and employees of our company and our client or business partner must be in attendance.

Entertainment must have a business purpose and relate to the promotion of goods or services with a company client or business partner. Further, employees of our company and representatives of our client or business partner must be present together. Otherwise, you may be dealing with a gift, which is subject to additional restrictions as set forth below.

4. It must be appropriate.

Regardless of dollar value, any gift or entertainment must:

- be consistent with generally accepted business practices
- be reasonable and proportionate given the business relationship
- not be unreasonably frequent
- not be lavish or excessive

When assessing whether a gift or entertainment is appropriate, you must consider it in light of all of the gifts and entertainment provided to or accepted by the giver or recipient's employer. In other words, different employees from the same entity constitute a "single source," and you must consider all gifts and entertainment to or from that single source.

5. It must never improperly influence—or appear to improperly influence—business decisions.

Gifts and entertainment that are provided as a normal business courtesy—to strengthen a business relationship or provide a forum to discuss business outside of the office—without any intent to improperly influence the recipient's decision making, are permissible provided they comply with this Policy.

6. It must never create the appearance of impropriety or a conflict of interest.

You have an obligation to avoid conflicts of interests, which occur when your personal interests interfere with your ability to make objective business decisions on behalf of the company. Even situations in which your personal interests *could potentially* affect, or *could be perceived* as affecting, your business judgment are harmful to the company's reputation and must be avoided. Accordingly, you must be cautious when providing or accepting gifts and entertainment to avoid a conflict of interest or the appearance of impropriety.

7. It must never be exchanged as part of a *quid pro quo* (offered for something in return) or to obtain an improper advantage.

Gifts and entertainment must never be provided or accepted when doing so creates an obligation or expectation that some action will occur by the recipient in return for the gift or entertainment.

8. It must never be cash or cash equivalents, such as gift cards.

The most obvious form of gift likely to be construed as a bribe is cash. Gifts of cash or cash equivalents, such as gift cards or gift certificates, are never acceptable.

9. It must never be solicited on your own behalf or on behalf of a third party.

Gifts and entertainment should not be solicited from business partners or clients. Any proposed deviation from this rule must be approved by STOBG's Senior Vice President / Director of Ethics, Compliance & Audit.

10. It must never be in poor taste.

Gifts and entertainment must never be indecent, sexually oriented, inconsistent with the company's values, or otherwise reflect poorly on the company.

WHAT IS APPROPRIATE?

When deciding whether a gift or entertainment is appropriate, consider its **nature**, **purpose**, and **effect**.

1. If the **nature** of the gift or entertainment is reasonable given the business relationship and generally accepted business practices, it may be permitted. If, however, it is excessive or lavish, it is likely prohibited. When evaluating the **nature** of a gift or entertainment, consider the following:

- **Value:** A gift or entertainment with a value that does not comport with reasonable business conduct raises concerns about improper influence and creates the appearance of impropriety.
- **Transparency:** Appropriate gifts and entertainment are given transparently and properly recorded in the company's books and records. Gifts and entertainment that are given secretly or otherwise disguised raise serious questions about their propriety and are contrary to our core values.
- **Timing:** Gifts and entertainment that are exchanged at or around the time decisions are made on company business—for example, the award of a contract—could improperly influence the recipient or create the perception of impropriety.
- **Frequency:** Gifts and entertainment that may be acceptable in isolation may raise concerns

when provided to the same recipient frequently.

2. If the **purpose** of the gift or entertainment is to strengthen working relationships or provide a forum to discuss company services, it may be permitted. If, on the other hand, the purpose is to improperly influence the recipient's decision making or to gain an unfair business advantage, it will always be prohibited.
3. If the likely **effect** of the gift or entertainment is the legitimate promotion of business or enhancement of business relationships, it may be permitted. If, on the other hand, the effect is to create an obligation or expectation that something may be returned, it is improper. Likewise, the gift or entertainment must not create the appearance of impropriety. We must be thoughtful about how others may perceive it.

Our reputation for conducting business with the utmost integrity must not be put in jeopardy under any circumstances. You should exercise caution and seek guidance if you're unsure about whether a gift or entertainment is appropriate.

ADDITIONAL REQUIREMENTS

Any gift or entertainment that you provide or accept must meet all of the General Requirements listed above. Additionally, because gifts present unique anti-corruption concerns, as well as an increased risk of generating a conflict of interest, they must be regulated more strictly than other business courtesies, including entertainment.

Accordingly, absent written approval from your department head, business unit leader, or a member of STOBG executive management, you may not provide or accept a gift with a value that exceeds **\$100/£100/€100** (or the equivalent value in local currency outside of the US, Canada, UK, and Eurozone). This monetary threshold reflects the total value of a gift to or from a single source, including taxes, gratuities, and shipping where applicable. A gift with a value that is less than \$100/£100/€100 is not automatically permitted under this Policy; it must still meet all of the General Requirements listed above.

If you are offered a gift or entertainment that, in your reasonable judgment, violates our policies, you should politely refuse it and explain that it is prohibited by company policy. If refusing a gift is not possible, you may accept it but must promptly report it to your department head, business unit leader, or a member of STOBG executive management. They, in consultation

with the Compliance & Ethics Department, will determine the appropriate course of action.

GIFTS & ENTERTAINMENT WITH UNION OFFICIALS

Our policies prohibit anyone representing the company from offering or providing gifts or entertainment to a union, union representative, or union official.

GIFTS & ENTERTAINMENT WITH GOVERNMENT OFFICIALS

Gifts

Business courtesies that are permitted with third parties in the private sector may be severely restricted or outright banned by law or regulation when involving government officials. Thus, **you may not offer or provide a gift to a government official**, even where permitted under local law. Giving a gift to a government official, even if the law permits it, can easily create the appearance of impropriety. For that reason, gifts to government officials are prohibited.

Entertainment

While it may be perfectly acceptable to promote the company's business to government-employed decision makers, you may not offer or engage in any entertainment with a government official without approval from STOBG's General Counsel or SVP/Director of Ethics, Compliance & Audit, unless you are subject to a local G&E policy that provides otherwise. The laws regarding giving anything of value to a government official are strict and complex, and violation of these laws can result not only in severe penalties against the company but also in disciplinary action for the employees involved.

RECORDKEEPING

Unrecorded gifts and entertainment create the appearance of misconduct. It is your responsibility to track your gifts and entertainment expenditures and receipts. You must keep accurate records of all gifts and entertainment you provide and receive and a reasonably detailed description of the gift or entertainment.

In addition, whenever this Policy requires you to obtain management approval, you should secure documentation of that approval in advance (or, if not

possible, immediately after) and retain it for audit purposes.

Fully and accurately accounting for gifts and entertainment is one of the most important ways to ensure compliance with this Policy and other company policies.

IS THIS PERMISSIBLE?

Not OK

- Anything illegal
- Anything that violates the other party's own policies
- Anything given with the belief that it will improperly influence a business decision
- Anything that creates a sense of obligation or has the appearance of a *quid pro quo*
- Anything lavish, excessive, or overly frequent
- Anything that would cause the company embarrassment
- Anything given in secret or otherwise disguised
- Cash, gift cards, gift certificates, vouchers, and other cash equivalents
- Discounts not available to all company employees
- Gifts with a government official

Seek Guidance

- Entertainment with a government official
- Particularly expensive entertainment
- Exclusive events not available to the general public, such as private or invitation-only performances or cultural experiences.
- Destination travel with clients or business partners, such as hunting trips or golf outings
- Travel and lodging expenses of third parties, including government officials
- Gifts for special occasions, such as births and weddings, for personal friends who are also company clients or business partners

- Anything involving a party with an undecided business decision pending with the company, such as the award of a contract

Generally OK (Except with Respect to Government Officials)

- Seasonal gifts that are customary and have a value of \$100 or less
- Small branded promotional items, such as pens marked with a logo
- Occasional attendance at ordinary cultural and sporting events with clients and business partners
- Occasional meals with clients and business partners

FAQ

I would like to send one of our longtime clients a gift basket for the holidays. Is this OK?

You first need to check your client's policies. Some companies prohibit their employees from accepting gifts, and you don't want to put your client in an awkward position. Provided that the gift basket complies with your client's policies, it is OK to give, so long as it is reasonable given our industry, your position, and our relationship with the client. You should also make sure that you don't give the gift at a time when the client is making a decision on company business.

If the gift basket is worth over \$100/£100/€100 (or the equivalent value in your local currency), you also need to get approval from your department head, business unit leader, or a member of STOBG executive management before sending it. Make sure you keep an accurate record of the gift.

If the client is a government entity, then you may not give the gift basket. Our policies prohibit giving gifts to government officials.

One of our subcontractors sent our office some food platters for the holidays. Is it OK to accept the food?

If a third party is sending food to us, as opposed to sharing a meal with us, the food is considered a gift, and you must assess whether it's reasonable under the circumstances. Consider how frequently this business partner sends over food. Once a year around the holidays is OK, so long as the platters are not extravagant. But frequent gifts create the appearance of impropriety, particularly if they're given around the time

business decisions are being made. If the food likely cost over \$100/£100/€100 (or the equivalent value in your local currency), then you also need to get approval from your department head, business unit leader, or a member of STOBG executive management before accepting it. If you accept the food, then you should arrange for it to be put out for everyone to enjoy.

A vendor has invited me to its annual weekend golf outing at a resort a few hours away by plane, all expenses paid. We have a longstanding relationship with this vendor, and the outing would allow us to strengthen our relationship with the vendor and network with other companies in our industry. Can I go?

While a local golf outing with a business partner may be perfectly appropriate, in this case the vendor is offering to cover what is likely thousands of dollars in expenses for you to attend. An event like this, with complimentary accommodations and out-of-town travel, can easily create the appearance of impropriety or a conflict of interest. Consult with your department head and business unit leader, as well as the Compliance & Ethics Department, to determine the appropriate course of action. It may be that attending is OK if STOBG pays for some of your expenses.

I'm renovating my home and one of our suppliers is offering to give me the materials and equipment "at cost." Is this OK?

No. Receiving materials and equipment from a company subcontractor "at cost" or at a substantial discount could be seen as an improper gift and an attempt to influence your business judgment. Also, hiring a business partner (such as a company subcontractor) to perform personal work requires approval from your department head or business unit leader if you have discretionary authority over that business partner. And regardless of whether you have discretionary authority, you must pay fair market value for any goods or services provided. For more information on conducting personal business with company business partners, consult our Anti-Corruption Policy.

I've become close friends with an employee of one of our subcontractors. He gave me a gift card to my favorite restaurant for my birthday. Is it OK to keep the gift?

No. So long as we are doing business (or reasonably could do business in the future) with this subcontractor, our business relationship must come before your friendship. Gift cards are never OK to accept from (or give to) third parties.

An STOBG employee who works for me did an outstanding job on a project, and I'd like to give her a gift card as a small token of my appreciation. Is this OK?

It depends. The prohibition on giving and accepting gift cards doesn't apply to personal gifts between STOBG employees. However, the gift should still be reasonable and appropriate. Keep in mind that gifts from supervisors to direct reports, especially if they are lavish, may be viewed by others as favoritism. If the gift card is for a modest amount and will not create the perception of favoritism, then it is OK to give. Further, the gift should not be expensed to the company, nor should it be provided as a performance bonus, which should only be provided to employees under approved company programs.

ADMINISTERING THIS POLICY

STOBG's Compliance & Ethics Department

STOBG's Compliance & Ethics Department is responsible for developing, implementing, and

interpreting this Policy. The department can be reached at compliance@stobuildinggroup.com.

Amendments to This Policy

Our Compliance & Ethics Department periodically reviews this Policy to determine whether revisions are required to reflect changes in the law, our business, or our policies and practices. The most recent version of the Policy can be found on our intranet and on STOBG's website.

Violations of This Policy

The company will take appropriate corrective or disciplinary action for violations of this Policy or other company policies. Such action may include termination of employment and, if the violation is also against the law, referral to the appropriate authorities.

ACKNOWLEDGEMENT

I acknowledge that I have received and read a copy of the STOBG Gifts and Entertainment Policy ("Policy"), and I understand and agree to comply with the Policy.

I understand that STOBG has the maximum discretion permitted by law to interpret, administer, change, modify, or delete this Policy at any time, and that no statement or representation by a manager or other employee, whether oral or written, can supplement or modify this Policy. I also understand that any delay or failure by STOBG to enforce any company policy or rule will not constitute a waiver of STOBG's right to do so in the future. I further understand that this Policy is not a contract and does not create any contractual rights between me and STOBG.

I understand that if I have questions about this Policy, I can consult a company resource such as my manager, department head, business unit leader, a member of STOBG executive management, my compliance liaison or the Compliance & Ethics Department, the Human Resources Department, the Legal Department, or STOBG's 24/7 helpline.

Signature: _____

Name (printed): _____

Title: _____

Date: _____

