GIFTS AND HOSPITALITY

Purpose

To provide guidelines with respect to giving and receiving gifts and entertainment in the course of conduct of business for the Company.

Scope

This Policy applies to all team members of McWane, Inc. and its divisions and subsidiaries ("McWane" or "Company").

Policy Statement

McWane, Inc.'s Code of Ethical Behavior in the Workplace (the "Code") sets forth the standards of conduct for all McWane team members. This Policy is designed to assist you in understanding and following the Company's guidelines with respect to giving and receiving gifts and entertainment. You must read, understand, and follow these guidelines. A violation of the Code and these guidelines could result in disciplinary action against the offending team member, up to and including termination.

State laws governing gifts and business courtesies vary widely, ranging from very restrictive rules to no rules at all. In addition, federal government employees are subject to strict laws and regulations governing the acceptance of gifts and business courtesies. As used in this Policy, "business courtesies" includes such things as gratuities, meals, entertainment, trip expenses, subscriptions, memberships and generally any item of value. McWane is also subject to a number of international anti-corruption laws. Accordingly, McWane's policy governing the giving and receipt of any form of gift and/or business courtesy extends beyond just doing the lawful thing: our policy is to always do the right thing. Part III.B.2 of this Policy contains links to state-by-state guidelines for obeying the law and for "doing the right thing."

I. Gifts and Courtesies May Not Be Given as Bribes, Kickbacks, or Other Unlawful Payments

Bribery is strictly prohibited. Bribery is the offering, promising, giving or receiving of money or anything else of value in an attempt to unethically, dishonestly or unlawfully influence the action of another person. This bribery prohibition extends to intermediaries, such as family members, consultants or agents. Team members shall not make payments to intermediaries if they have any reason to believe that a portion of the payment or fee will be used for a bribe or otherwise to improperly or unlawfully influence the actions of a third party.

Bribery can involve private commercial parties or public officials. An example of giving a commercial bribe would be the paying of money or giving of an inappropriate gift to an employee of a customer, without the knowledge of the customer, in the hope that the employee will improperly or unlawfully influence the customer to buy our products. An example of accepting a commercial bribe would be if a McWane team member were to receive a very expensive gift or a sum of money from a dealer to "encourage" that McWane team member to grant such dealer better pricing. An example of bribery of a public official would be providing a job to the

official's child in exchange for the official's agreement to use his influence to have a government contract awarded to McWane. Engaging in bribery of any kind is unlawful under U.S. federal laws and the laws of most states and foreign countries.

Bribery can result in criminal, civil and administrative penalties (including imprisonment, fines, and the loss of government contracting rights) for McWane and/or any McWane team member or agent involved in the violation.

A kickback is another term used to describe a bribe or unlawful payment. It includes any fee, commission, or compensation paid by a subcontractor to a prime contractor, higher tier subcontractor, or one of their employees, or by a supplier to a customer to improperly or unlawfully secure or acknowledge the award of a contract or order. This definition does not include rebates granted by the Company to customers in the ordinary course of business. However, the rebate may only be paid to the actual customer, not an individual employee working for that customer.

The prohibition against bribery in this Policy should be read in conjunction with the Company's Global Anti-Corruption Policy.

II. Accepting Gifts and Business Courtesies

Team members are not to accept, at any time of the year, gifts - beyond that of a merely nominal value - from anyone with whom they do business or may do business on behalf of McWane. Team members may never solicit gifts. Normally, any gift of more than nominal value which has been received by a team member must be returned to the donor. The return of the gift should be made in a courteous but firm fashion. If the circumstances would clearly appear to make the return of the gift embarrassing or insulting to the donor, your supervisor or manager should be consulted immediately for a decision on the proper course of action.

Acceptance of perishable or other gifts of a nominal value, such as advertising or promotional materials, clearly marked with company brand names, is not considered improper.

Acceptance of reasonable business courtesies or the exchange of reciprocal business courtesies of the same approximate reasonable value between McWane employees and those with whom they do business are not considered improper when this occurs: (1) for a legitimate business purpose, (2) infrequently, (3) does not involve excessive expenditures, and (4) takes place in settings appropriate to the business at hand. If you are ever uncertain about the propriety of a gift, you should consult with your supervisor or manager.

III. Giving Gifts and Business Courtesies

A. Private Sector

A team member shall not make, promise or offer any payment or provide to any actual or potential private sector customer, supplier, or competitor, or its agent, consultant, or employee, any gift or benefit, including complimentary merchandise or service, of such value or nature or under such

circumstances that it might be construed as an attempt to induce (or reward) the recipient to improperly or unethically perform a business, professional or public function or activity.

It is generally acceptable for McWane team members to provide meals, refreshments, entertainment, or other business courtesies to non-government persons as long as: (1) such courtesies have a legitimate business purpose, (2) such courtesies do not violate the law of the recipient's country, state or locality or the policies of the recipient's employer, (3) the courtesies are consistent with practices in the marketplace, (4) the courtesies are infrequent, and (5) the courtesies are reasonable and not extravagant.

Generally, the total value of all gifts, meals and other business courtesies to a particular employee of a client, prospect or supplier should not exceed $300 in any calendar year and the collective value of all gifts and business courtesies provided to the employees of a particular client, prospect or supplier should be reasonable in light of the size of the entity involved and should not give the appearance of impropriety. The senior manager of the operating unit involved must approve any gifts or business courtesies in excess of the $300 limitation. All gifts and business courtesies must be properly recorded in McWane's records in accordance with the Policy on Recording and Reporting of Information so that such gifts/courtesies may be appropriately tracked.

The Bottom Line: Use common sense and good judgment in deciding whether a gift should be offered or received. Disclose your concerns to your supervisor or manager. This approach will help you make the right choice.

B. Public Servants and Officials

Federal, state and local government officials and employees are subject to strict and often complex laws and regulations concerning the acceptance of gifts and business courtesies from firms or persons doing business with the government. **A TEAM MEMBER SHOULD NEVER PROMISE, OFFER, OR GIVE A GIFT OR ANYTHING OF MONETARY VALUE TO A PUBLIC SERVANT OR OFFICIAL TO INDUCE HIM OR HER TO ACT UNLAWFULLY, DISHONESTLY, OR UNETHICALLY.**

1. Federal Servants and Officials

Generally, federal government employees may not accept any gifts or business courtesies except in very limited circumstances. Federal law imposes civil and criminal penalties for violations of these laws. McWane's policy is that *no gifts or business courtesies may be provided to any federal government employee* except: (1) when expressly permitted by federal law AND (2) when approved by the Legal Department in advance. This Policy applies whether the gift or courtesy is purchased with corporate or personal money.

2. State and Local Servants and Officials

The laws and regulations governing gifts and business courtesies to state and local employees vary by jurisdiction. If such a gift or courtesy is contemplated, McWane team members should first review the restrictions in force in the relevant state, which may be found on the website of the National Conference of State Legislatures at: http://www.ncsl.org/legislatures-elections/ethicshome/50-state-table-gift-laws.aspx and http://www.ncsl.org/research/ethics/50-state-chart-legislators-accepting-gifts-at-out.aspx. Please note that these sites do not cover county, city or other local rules or restrictions and there are no online compilations of these local rules or restrictions for review. As such, McWane team members should become familiar with the local rules in the jurisdiction in which they work or conduct business and ask the recipient about any local rules or restrictions before proceeding.

You will note that some states do not impose monetary restrictions on gifts to government and quasi-government customers. In those states, gifts may be given to government or quasi-government customers subject to the following restrictions:

- No gift or courtesy to a public servant or official should exceed the limits applicable to private sector employees set forth above (which, unlike the private sector situation, shall not be subject to change by senior management), and should comply with the criteria described in sections I, V and VI herein.

- All gifts given to any one entity (that is, the total of all gifts given to multiple persons at any one entity or their family members) shall not exceed $300 in the aggregate per calendar year.

- To keep track of these annual limits, all team members shall report any gifts or courtesies given to government or quasi-government parties to their general sales manager.

If you are at all unclear about whether the gift is legal and appropriate, you should contact the Legal Department for advice before proceeding.

3. Political Contributions

The Company, where permitted by law, and individual team members may make contributions to political candidates at the federal, state and local levels. Any such contributions must be made in accordance with applicable federal, state, and/or local law, this Policy, and the Company's Policy on Political Contributions, and they should never be made for illegal purposes.

IV. Foreign Countries and Officials

In most foreign countries in which McWane operates, bribes and kickbacks are criminal violations that expose the Company and the team member(s) involved in the violation to heavy penalties. Therefore, all McWane team members operating in the U.S. and abroad must comply with the Company's Global Anti-Corruption Policy.

V. Additional Criteria to Judge Appropriateness

Any gifts provided for business reasons must meet the following additional criteria:

- Gifts in the form of cash, stocks, bonds, or similar types of items, shall not be given or received regardless of amount.
- Gifts are to be consistent with normally accepted business practices, and comply with the policies of the organization employing the recipient.
- Subsequent public disclosure of all facts regarding the gift would not be embarrassing to McWane or to the organization employing the recipient. A good test to use is whether McWane or you would be embarrassed if the details of the gift were printed on the front page of a newspaper.
- The value, nature or circumstances of the gift must not give rise to an appearance that the donor expected to improperly influence the recipient's business decision or performance of his or her duties. Never tie a gift to any past, present or future action.
- Never give a gift indirectly (to a family member or to another third party) that you cannot give directly.
- Let your supervisor know immediately if you are requested to give a gift, bribe or kickback to anyone or if anyone solicits you for a gift, bribe or kickback to give to someone else.
- Under no circumstance should a team member borrow money from suppliers or contractors or permit such persons or entities to act as a guarantor for any loan, mortgage or lien.

VI. Documentation

To assure that no McWane funds are being used for any unlawful payment, such as a bribe, kickback or improper gift:

- No funds which are not clearly disclosed in the books and records of McWane shall be set aside or maintained for any purpose.
- No false or misleading entry shall be made to any McWane books and records.
- No payments shall be made by or on behalf of McWane for any purpose other than those described in McWane documents and records supporting such payments.

McWane reserves the right to modify, amend, supplement or replace this Policy at any time with or without prior notice.