



PAINT & VARNISH COMPANY, INC.

Code of Business Conduct

(The "Code")



PRESIDENT'S STATEMENT

It is the policy of Red Spot Paint & Varnish Co., Inc. and my personal commitment that equal employment opportunity be provided in the employment and advancement for all persons regardless of race, religion, color, national origin, sex, age, status as a protected veterans and persons with disabilities at all levels of employment, including the executive level.

Red Spot Paint & Varnish Co., Inc. does not and will not discriminate against any applicant or employee regardless of race, religion, color, national origin, sex, age, status as a protected veterans and persons with disabilities to any position for which the applicant or employee is qualified. Such affirmative action shall apply to all employment practices, including, but not limited to hiring, upgrading, demotion or transfer, recruitment, recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship and on-the-job training. Decisions related to personnel policies and practices shall be made on the basis of an individual's capacity to perform a particular job and the feasibility of any necessary job accommodation. Red Spot Paint & Varnish Co., Inc. will make every effort to provide reasonable accommodations to any physical and mental limitations of individuals with disabilities and to disabled veterans.

Our obligations in this area stem from not only adherence to various state and federal regulations, but also from our commitment as an employer in this community to provide job opportunities to all persons regardless of race, religion, color, national origin, sex, age, status as a protected veterans and persons with disabilities. Red Spot's EEO policy and affirmative action obligations include my full support. If you have any questions regarding our equal employment opportunity, harassment policies or the complaint procedure, you may contact Red Spot's local Human Resources representative. Parts of the Affirmative Action Plan may be reviewed, as appropriate, by making an appointment with Red Spot's Human Resources representative.



Akiro Takeda
President and Chief Executive Officer



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POLICY OVERVIEW

Red Spot Paint and Varnish Company, Inc. (the "Company"), and its affiliates and subsidiaries are committed to being positive and responsible members of society. As such, each employee, manager, and member of the Board of Directors is expected to adhere to a high standard of

business conduct. This Code of

Business Conduct (the Code), is a resource for guiding employee actions in areas of business conduct and integrity and sets forth the values that will guide the conduct of Red Spot and the behavior of individual employees in conducting the Company's business throughout the world. The Code also provides mechanisms to report conduct that does not comply with a culture of honesty, accountability, and accuracy.

The Code is a guide for the proper ethical and legal standards for all employees to follow. These standards and elements go beyond the observance of all laws and regulations. It includes conducting business in an ethical manner and being honest in all Red Spot related dealings. It is not intended to be exhaustive and cannot address every situation that may arise. Accordingly, this policy is intended to serve as a source of guiding principles and is not intended to affect or conflict with any employee's rights or protections under the National Labor Relations Act or applicable laws. Employees are encouraged to bring questions about particular circumstances to the attention of a direct Supervisor, Human Resource Department, or the Chief Ethics Officer.

OUR PHILOSOPHY

Red Spot is committed to:

- Acting with high ethical standards while complying with the requirements of the law and social norms
- Respecting the fundamental human rights and individuality of each person, and eliminating any types of discrimination and harassment

- Respecting each country's cultures and customs, and undertaking business that makes positive contributions to the local community
- Maintaining and improving environmental, health and safety in the workplace
- Winning the trust of stakeholders through fair, transparent business transactions, and timely disclosure of information
- Maintaining the confidentiality of corporate and personal information, and information of other companies

RESPONSIBILITY AND COMPLIANCE

Every employee and Director is responsible to maintain conduct in compliance with the Code; Red Spot policies and guidelines; and applicable local, state, and federal laws and regulations as they apply to each person's position in the Company. The conduct of the Company and its employees are to be in compliance with the laws and regulations relating to the Company's business in the country where the business is performed.

Any employee involved in court or other similar proceedings arising out of his or her employment with, or service to, the Company is expected to abide by the Company's rules, cooperate with the orders of a recognized judicial officer, and not in any way commit perjury or obstruction of justice. All employees must, at a minimum, comply with all applicable laws that relate to the conduct of our business in the relevant jurisdiction.

The example that each employee sets has a powerful effect. In addition to any departmental specific obligation, each Red Spot employee has specific responsibilities to ensure the Code is followed.

Red Spot **employees** have an obligation to:

- Read, understand, and comply with all provisions of the code
- Comply with the Code and applicable laws
- Promptly report violations

Additionally, **managers** have an obligation to:

- Ensure employees understand expectations

- Demonstrate honesty, integrity, and respect for their subordinates
- Nurture an environment where employees can ask questions and report concerns
- Take appropriate action when violations occur

Additionally, members of the **Board of Directors** have an obligation to:

- Approve changes or amendments to the Code
- Conduct an annual review of all complaints

This Code may be amended from time to time as circumstances require. Amendments will be approved by the Board of Directors.

Employment with the Company is considered "at-will". The implementation of this Code, or any of its terms, is not intended to modify the at-will nature of the employment relationship at Red Spot, or to otherwise create any contract, express or implied, with any employee.

NON-RETALIATION

Red Spot prohibits retaliation against any employee for accurately reporting alleged Code or policy violations or using the complaint procedure described in this Code for filing, testifying, assisting, or participating in any manner in any investigation or hearing. Prohibited retaliation includes, but is not limited to, demotion, suspension, termination, failure to make employment recommendations impartially, or otherwise denying any employment benefit.

An act of retaliation or retribution against any employee who accurately and in good faith reports a suspected, planned, or actual violation of the Code or any policy can lead to disciplinary action, up to and including termination. Red Spot, in keeping with the intent of this Code, is committed to open reporting of issues related to this Code or the Company's policies and will protect the rights of those who report alleged violations. Accordingly, no employee will be subject to retaliation, discrimination, or other adverse



treatment for reporting known or suspected violations of the Code and/or other Company policies and procedures.

REPORTING VIOLATIONS

If an employee knows of any act or activity by another employee or agent which violates any provision of the Code, the employee has a duty to, and is expected to report such conduct. Reporting can be made through an employee's supervisor, the Ethics Officer, or the Human Resources Department. Alternatively, if an employee prefers to remain anonymous in reporting concerns, Red Spot has established an anonymous reporting procedure through Global Compliance, a third party provider. Regardless of the reporting method, confidentiality will be maintained to the fullest extent possible without putting the Company at risk. The 4 reporting mechanisms are:

- **Talk to direct supervisor**
- **Report to human resources employee**
- **Contact Ethics Officer**
 - Telephone: 812.428-9204
 - FAX: 812-428-9160
 - Email: eahille@redspot.com
- **Report complaint with confidential, third party reporting administrator**
 - Name: Global Compliance
 - Telephone: 877-874-8416
 - Website: www.alertline.com

Making knowingly false allegations against another employee is considered to be unethical behavior and will not be tolerated and may result in disciplinary action.

On an annual basis, the Corporate Director of Human Resources will also report on all complaints and/or violations to the Board of Directors for their review.

DISCIPLINARY ACTION

Compliance with this Code is a condition of employment of the Company. Violation of the Code and its associated guidelines may result in disciplinary action up to and including termination of employment.

AREAS OF POTENTIAL CLAIMS

Diversity, Equal Opportunity and Respect in the Workplace

Discrimination & Equal Employment Opportunity

Red Spot is an Equal Opportunity employer and is committed to a workplace free from discrimination. We do not and will not discriminate against any applicant or employee regardless of race, religion, color, national origin, sex, age, status as a protected veterans, persons with disabilities, or any other basis prohibited by the law. Personnel actions including, but not limited to, recruitment, job assignments, promotions, demotion or transfers, layoffs, rates of pay or other forms of compensation, termination, selection for training, and benefits must be administered without such discrimination.

Decisions related to personnel policies and practices shall be made on the basis of an individual's capacity to perform a particular job and the feasibility of any necessary job accommodation. Red Spot will comply with its legal obligation to provide reasonable accommodations to any physical and mental limitations of individuals with disabilities, disabled veterans, and for religious beliefs.

Harassment

Employees have a right to a work environment which is free from inappropriate and intimidating conduct, whether from employees or non-employees such as visitors, vendors, suppliers, clients, guests, customers, or contractors. The Company is committed to providing a workplace free of harassment, intimidation, or inappropriate conduct related to race, religion, color, national origin, sex, age, status as a protected veterans, persons with

disabilities to any position for which the applicant or employee is qualified, or any other legally-protected class. Such behavior is inconsistent with our philosophy of respect for our employees. Even if conduct does not meet the legal definition of harassment, it can still be deemed offensive behavior and, therefore, unacceptable.

What is Harassment?

- Offensive or abusive physical contact
- Unwelcome innuendoes or offensive jokes
- Any suggestion that a legally protected characteristic would affect one's job, promotion, or performance evaluation.
- Displaying offensive objects or pictures
- Conduct that leads to a hostile or intimidating environment

Employee Relations

Conflicts of Interest - Personal

A "conflict of interest" exists when an employee or Director has an outside interest which interferes with their duty of loyalty to the Company or which influences their judgment or decisions. Conflicts can make it difficult for employees or Directors to remain objective and to act in the best interest of Red Spot. Employees must never permit their personal interests to conflict or appear to conflict with the interests of the Company. Conflicts of interest (real or perceived) are to be avoided when conducting business or making decisions on behalf of Red Spot.

If you are aware of a conflict of interest, or have a question if one might develop, you should promptly bring it to the attention of the Ethics Officer. Conflict of interest questions from employees or Directors, either personal or financial, will be reviewed with the CEO and/or outside legal counsel for appropriate resolution.



Some examples of personal conflicts of interest at Red Spot include, but are not limited to, the following:

- Holding outside employment with the potential for conflict with Red Spot employment, or which affects the employee's job performance or effectiveness
- Maintaining a romantic relationship with another Red Spot employee where there is a direct reporting relationship
- Receiving an improper personal benefit, for the employee or the employee's family, as a result of employment at Red Spot
- Serving as an Officer, Director, manager, employee, consultant, contractor, or agent of any company that is a competitor, supplier, or customer of the Company without prior approval of the CEO

Loyalty

All employees have a duty of loyalty to the Company. Employees may not take personal advantage of any business opportunity that properly belongs to the Company, and are prohibited from taking for themselves business opportunities discovered through the use of Red Spot's property or information or through a position at Red Spot. Company property or information may not be used for personal benefit. Employees should avoid profiting from external business opportunities such as consulting (or as a contractor to any other business entity or person) if that activity would involve skills and proprietary knowledge related to their work at Red Spot or information derived from their work at Red Spot, or if it would impair the employee's ability to perform their work at Red Spot. Any such business opportunity must be promptly reported.



Environmental, Health, and Safety

EHS

The Company is committed to full compliance with all applicable safety, health and environmental laws and regulations. All Employees are expected to comply with these laws, regulations, and Company policies.

Substance Abuse

Red Spot is committed to maintaining a safe workplace for all employees that is free from drugs and alcohol. As further outlined in Red Spot's Drug & Alcohol-Free Workplace Policy, this includes the totality of Company property, including vehicles, lockers, parking lots, or any facility leased by the Company.

The manufacture, distribution, dispensing, possession, sale, purchase or use of any controlled substance, illegal drugs, or drug paraphernalia on Company property is prohibited. Also, being under the influence of alcohol or illegal drugs, including the unauthorized use of or any misuse of prescription drugs, on Company property is prohibited.

Alcoholism and other drug addictions are recognized as diseases responsive to proper treatment, and the Employee Assistance Program (EAP) is available to assist Employees who desire education and treatment.

Threats of Physical Violence

Employees are entitled to a workplace where they feel safe. Engaging in violent acts or threatening conduct is strictly prohibited. Any employee who witnesses a violent act that presents an immediate danger or thinks such an act may take place should call 911 at once. If an employee is aware of a threat that does not appear to be an immediate danger, report it to security at ext. 1249.

Financial Concerns

Conflicts of Interest – Financial

Similar to Personal Conflicts of Interest, Financial Conflicts of Interest are prohibited. Examples of prohibited actions and behavior include, but are not limited to:

1. Participating in work that shares Red Spot information or knowledge from Red Spot with third parties without consent by the employees' manager.
2. Participating in business transactions or actions involving the Company in a manner which is not impartial or reflects a personal or other motive that is not in the best interests of the Company.
3. Taking or copying any Company property, including any Company record, file or intellectual property for: a) the purpose of individually profiting or seeking personal benefit from the use or sale of such property, records, or files; or b) any purpose not related to the Company's business needs.
4. Acceptance by an Employee of a loan or a guarantee of any obligation by any person or entity where it is based in whole or in part on any expectation of favorable or preferential treatment by Red Spot to the person or entity making the loan or guarantee.
5. Participating in decisions affecting entities in which the Employee has a direct or indirect financial relationship or which involves a company, entity, or person that employs the Employee's spouse or other family member.
6. Making loans or guaranteeing obligations for Red Spot employees, officers, or Directors.

Kickbacks, Bribes, and Gratuities

The Company considers it to be unethical and illegal for any employee to solicit, accept or offer personal favors, money, kickbacks, bribes, or other gratuity, or employment to or from vendors, contractors, consultants, suppliers, customers, business partners or joint ventures, or government officials as an inducement for preferential treatment or other preferential benefits. Information about any alleged offer(s) for kickbacks, bribes, and gratuities

shall be promptly reported.



What is a bribe?

- A bribe is a gift that is given in order to get something in return. It is an illegal "gift" in advance of the sale. For example, if a supplier gave a Red Spot employee a new television so Red Spot would sign a contract, the television is a bribe.

How is a bribe different from a kickback?

- While a bribe is a gift given in advance, a kickback is something received back after a service is rendered. It is an illegal "gift" after the sale. An example would be that a supplier would offer to give an employee \$500, in cash after the first order is shipped from the supplier to Red Spot.

Gifts

Company employees, from time to time, may be offered business gifts (e.g., products; Holiday gifts, promotional items, etc.). The exchange of business gifts should be declined if their value is over \$25. A "gift" is defined as anything having monetary value for which the recipient does not pay fair market value.

Guidance for business gifts:

- No employee should ever ask for a gift or favor from any company or organization that does business with the company or seeks to do so.
- No employee should accept gifts of greater than nominal value, or maximum value of \$25. Any gifts, individually or cumulatively, beyond this level are considered excessive.
- Frequent or repeated gifts from the same source may not be accepted.
- The following types of gifts may not be accepted by any employee:

- Cash or gift certificates
- Discounts on goods or services, unless the giver makes them generally available to all employee in the Company
- Do not accept a gift of any value or frequency where:
 - The giver seeks any benefit from decisions or actions by the recipient of the gift.
 - A sense of obligation is created.
 - Intentional or unintentional interference with fair competition may result.
 - A benefit is to be provided to the employee or their family, friends or other associates which is inconsistent with the Code.
- Return inappropriate gifts with a polite note referencing the Company's policy. If it is not possible or practical for you to return the gift, consult with the Human Resources Department to determine what to do with the gift.

Entertainment

"Entertainment", on the other hand, can be defined as an activity that provides amusement or recreation with a vendor, contractor, industry colleague, customers or other business contact. Examples of entertainment include meals, tickets to events, a round of golf, and so forth. In order to be acceptable the following must occur:

Guidance for Entertainment:

- The representative of the company offering the entertainment must accompany the employee at any event.
- Employees should not accept entertainment that is too costly, lavish, extravagant or frequent
 - Entertainment that occurs in excess of on a quarterly basis per supplier must be approved by the manager.
 - Events that require extensive travel or an overnight stay are not permitted unless approved in advance by the employee's manager.

The Company expects all employees to use good judgment in determining what is acceptable. Solicitation of gifts or entertainment is prohibited. If an employee is uncertain about the appropriateness of a gift or entertainment because of the value, frequency or intent of the giver, they should decline the gift or entertainment and discuss the situation with their supervisor. All employees are responsible to ensure that at all times their actions would be judged to be reasonable and ethical when measured against the principles of the Code and the scrutiny of their peers and management.

Questions on gifts should be discussed with the Chief Financial Officer or Corporate Ethics Officer.

Accounting & Auditing Practices

Red Spot depends on employees to properly record and report all information accurately, completely, honestly, and as otherwise required by applicable reporting requirements. All books, records, and accounts shall be maintained in accordance with generally accepted accounting principles and applicable regulations and standards to accurately reflect the true nature of the transactions they record.

Improper Influence on Conduct of Audits

No employee shall take any action to fraudulently influence, coerce, manipulate, or mislead any independent public or certified accountant engaged in the performance of an audit of the financial statements of the Company for the purpose of rendering such financial statements materially misleading.

Insider Trading

Securities laws prohibit the buying or selling of stock through the use of "inside information" or information that is not known or disclosed to the public. Employees may not engage in the trading of (Fujikura Kasei Co., LTD.) stock or advise others on the trading of (Fujikura Kasei Co., LTD.) stock on the basis of, or in the presence of, inside information. Employees may also not engage in "selective disclosure" with individuals who may

benefit from, or may advise others to benefit from, the disclosure.

Misuse or Misappropriation Company Resources

Misuse of Company Assets

All employees are trusted to be good stewards in handling company assets. Improper use of Red Spot assets is prohibited and may in some cases be unlawful. An asset is anything of value owned by Red Spot and can include computer equipment, inventory, supplies, intellectual property, data, and information.

Additionally, the use of Red Spot assets should be used only for legitimate Company business purposes, and Company assets may not be used to offend or harass others. Accordingly, no employee should have any expectation of privacy with respect to Red Spot owned computer systems, phones, cellular devices, electronic mail, or messages.

Fraud

Fraud is an intentional deception designed to obtain a benefit or advantage. Red Spot does not tolerate any form of fraud and is committed to protecting its revenue, property, information and other assets from any attempt to gain financial or other benefit by deceit. Examples of fraud include:

- Forgery or alteration of a check, bank draft or other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Improper handling of reporting of money or financial transactions
- Falsification or improper modification of Company documentation such as formulas, batch tickets, test results, employee records, financial reports, or sales information. This includes providing any false information in any of the above areas.

Confidential Information

Many Red Spot employees and Directors have

access to a variety of confidential and proprietary information concerning the Company, clients, employees, products, and vendors. Confidential and proprietary information means non-public information and data about the Company's finances, strategies, employee information, trade secrets, systems, processes, products, services, know-how, technology, etc. Employees are responsible for protecting confidential information from unauthorized use, disclosure, access, or destruction. The use of confidential information is restricted solely to necessary and legitimate business purposes. Sharing such information with anyone inside or outside of the Company who does not have a business need for the information is prohibited. Employees with access to Confidential Information are required, as a condition of employment, to execute a confidentiality or non-disclosure agreement with the Company. Additional guidelines in this area are outlined in each employee's signed confidentiality agreement which will be included in their individual personnel files.

In order to guard against exposing or disclosing confidential information, even inadvertently, employees should follow these basic guidelines:

- Do not access confidential information not needed to perform job duties
- Do not provide access to confidential information to anyone not authorized to receive the information
- Do not leave confidential information on desk, or where others can see the information when passing by that area
- Do not share computer usernames or passwords
- Protect your computer by using Ctrl + Alt + Del and "lock workstation" when leaving computer, even briefly
- Do not store confidential information on devices that can be easily lost, misplaced, or stolen, such as a travel drive

Some examples of the types of confidential information used at Red Spot:

- Coating formulations/raw materials utilized

- Market information and sales data
- Production processes
- Financial information including budgets, Hoshin plans, pricing information and any other financial, marketing, or sales information
- Salary information
- Potential supplier information or bids
- Business and market strategies

Policy and Process Integrity

Collusion and Antitrust

It is the objective of the Company to comply with the antitrust laws of the United States and other countries applicable to its business operations. Employees in management positions are responsible for taking measures necessary to achieve this objective within their areas of responsibility.

No employee shall enter into any understanding or agreement with a competitor limiting or restricting any aspects of the competitive strategy of either party or of the business offering of either party to any third party or parties, including prices, costs, profits, product or service offerings, terms or conditions of sale, production or sales volume, production facilities or capacity, market share, decisions to quote or not to quote, sales territories or distribution methods. No employee shall discuss with a competitor, or any third party acting on behalf of any competitor, information on any of these subjects as to which an understanding or agreement with the competitor is prohibited.



Trade Restrictions

Several countries (including the United States) maintain trade restrictions on goods destined to certain listed countries. The Company will comply with the laws which regulate trade restrictions. Company Management will review the trade restriction laws with legal counsel prior to doing business in a new country.

Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (FCPA) makes it illegal to make or offer to make any payments or give anything of value, directly or indirectly, to foreign government officials or political parties, party officials or candidates for public office where the intent is to (1) influence any act or failure of an act or (2) induce the foreign party or official to use influence to affect a decision, in order to obtain or retain business for anyone or to direct business to anyone. The Company complies with the FCPA, which applies to all employees. No employee may make any payment which conflicts with the FCPA.

Political Activities

The Company considers itself an apolitical organization. As such, no Company funds or assets will be contributed or used in support of any political candidate or party or for the purpose of influencing any election without the approval of the Company's Board of Directors. This policy does not prohibit Company participation in trade or special interest organizations.

CONCLUSION

Red Spot strives to be a Company that is a positive organization with a high degree of integrity. In order for this to be more than words on paper, all Red Spot's employees, managers, officers, and directors must commit to the highest level of personal performance. That includes meeting the requirements of this Code as individuals and as part of the Red Spot team.

While each Employee is responsible for their own actions, it is their duty to promptly report violations of the Code as well as any actual or potential violation of applicable laws, regulations, or policies.

