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# INTEGRITY IN ALL WE DO

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Austin maintains uncompromising values and ethical business practices when dealing with customers, employee-owners and the communities in which it works.

# A MESSAGE FROM THE CHAIRMAN, PRESIDENT & CEO



Since our beginning, Austin has been committed to being the most respected company in its industry. Austin maintains uncompromising values and ethical business practices when dealing with customers, employee-owners and the communities in which it works.

Austin's reputation for integrity is widely known in the markets it serves. Our customers know they can count on us to do the right thing.

To make sure we retain the reputation we've worked hard to build over the years, Austin maintains a code of business conduct that is regularly reviewed to ensure it addresses current issues in the business world. Changes in governmental legislation can also require periodic revisions in our code.

This code of business conduct book does not address every issue or challenge you will encounter in the course of your employment at Austin, but it reviews basic principles and company policies. It is important that we all exercise good judgment in conducting our day-to-day business. If, after reviewing this code of business conduct book, you are unsure of the correct action to take, consult with management. Please ask! Employee-owners should never commit an unethical or unlawful act under the pretense of being in Austin's best interests.

While Austin, as a privately held company, is not legally required to maintain a corporate compliance program, it chooses to do so, following the legal requirements of publicly held companies.

As fellow employee-owners, let's work together to continue making Austin the most respected company in its industry.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ronald A. [unclear]'. The signature is stylized and written in cursive.

Chairman, President & CEO

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# CODE OF BUSINESS CONDUCT INTRODUCTION

Austin's founder, Charles R. Moore, was a man of principles and character. He treated people the way he wanted to be treated. This Golden Rule remains with Austin today. The company has a rich culture based on the highest standards for integrity and business ethics. This book represents Austin's code of business conduct – our standards of business behavior. It attempts to address how we treat each other and everyone we interact with each day. As owners of the company, we all have a stake in maintaining Austin's high standards. As an important member of Austin's team, you should become familiar with this code of business conduct. Employee-owners have a responsibility to hold each other accountable for adhering to this behavior.

Here are some questions to ask yourself when making decisions:

- *Is your proposed action legal?*
- *Does it comply with the code of business conduct?*
- *Is your proposed action something you wouldn't mind seeing published in a newspaper?*
- *Will your decision allow you to look at yourself in the mirror and feel proud of what you are doing?*

If concerns are raised when applying the above "ethics test" to a particular situation, please consult with your supervisor, your company's human resources manager and/or contact the Austin Hotline at (800) 880-4991.

# OUR VALUES

Austin Industries promotes a culture where highly principled behavior is paramount. Austin has identified core values that govern employee-owner actions and provide the framework for our code of business conduct. Personally demonstrating these values is necessary. Holding others accountable to these values is equally important.

By enforcing these principles, Austin creates and continually reinforces a standard for employee-owner behaviors, thus maintaining Austin's code of business conduct. Our values include:

## INTEGRITY

The foundation of our values is integrity; that is, demonstrating accountability and trustworthiness through one's uncompromising honesty and reliable actions in all that we do.

## EMPLOYEE OWNERSHIP

Austin offers employee-owners opportunities for personal and professional growth; participation and personal fulfillment; and a stake in the company's future by sharing financially in our success.

## PERFORMANCE

We exceed our customer's expectations through flexibility, quick response, quality work, great price/value, productive and safe operations, and faster project completion.

## SAFETY

Safety is everyone's job. Employee-owners, their supervisors and all other people on our projects are accountable for assuring a safe work place and safe work practices.

## SENSE OF RESPONSIBILITY

- *Community*: developing and maintaining good citizenship in both our industry and the general public.
- *Customers*: seeking to meet or exceed both internal and external customer expectations with superior performance.
- *Employee-owners*: taking accountability for one's actions and success by setting goals and expectations; supporting individual actions that lead to professional and personal success.
- *Ethnic and gender inclusiveness*: recognizing, embracing and supporting the diversity of the group with whom you are working.

# THE COMPLIANCE PROGRAM

Austin Industries demands the utmost in integrity from its employee-owners and business partners in their conduct of business. Our corporate compliance program is designed to ensure that employee-owners and contractor personnel (vendors, subcontractors, consultants, etc.) operate responsibly and with integrity. A combination of written guidelines, formal processes and management oversight ensures that the highest level of integrity is maintained in the conduct of Austin's business.

Austin Industries expects its employee-owners and contractor personnel to promptly report any concern or complaint regarding misconduct (ethical, financial, safety, etc.) and/or policy violation.

In many cases, your immediate supervisor, human resources manager or other supervisor in your chain of command are in the best position to resolve any questions or concerns you may have. Employee-owners are encouraged to use Austin's Open Door dispute resolution process to resolve disputes involving other employee-owners in a way that promotes open lines of communications, reduces the delay and difficulty in problem solving, and promotes "win-win" solutions. You may contact Open Door through its separate Dallas- and Houston- based telephone numbers.

However, in some cases, you may feel uncomfortable reporting concerns or complaints to persons involved in your supervision or possibly personally involved in the complaint. To ensure that every person on an Austin jobsite has access to voice any such concern or complaint, a confidential hotline – called "Austin Hotline" – is available to all employee-owners and contractor personnel. It is important to report all violations or suspected violations involving misconduct or policy noncompliance.

At any time, reports of concern or complaints regarding theft, fraud, kickbacks, destruction of company property, conflicts of interest, workplace violence, substance abuse, workplace safety, discrimination, sexual harassment, release of proprietary information, violations of government regulations, accounting and auditing irregularities, and other violations of company policy can be reported via the Austin Hotline.

The identity of those who file a report will be kept confidential to the maximum extent possible, unless the person reporting agrees to disclose identifying information. No action will be taken against you when reporting a concern or complaint to the Austin Hotline if your complaint was made in good faith and with a reasonable belief that your information is true.

## DESIGNATED COMPLIANCE OFFICER

Austin's independent board of directors has endorsed a strong compliance and ethics program for our company. This committee of independent directors will review all reports filed through the program. Charles Hardy, general counsel for the company, has been designated as our compliance officer with responsibility for this program. Each of us has a responsibility to help assure that our company always does the right thing and complies with the law.

## PROGRAM COMMUNICATION

Each year in January, all directors, officers, managers, other employee-owners and contractor personnel who are in positions involving sales or business development or who influence the procurement of goods and services sign a record of compliance form attesting to their knowledge of and compliance with this code of business conduct. The record of compliance forms are circulated and retained by the director of corporate communications.

## **VIOLATIONS AND REPORTING**

Any violation or disregard of this policy will be dealt with severely, including, when appropriate, dismissal and/or civil or criminal prosecution. Employee-owners or contractor personnel who are aware of or who discover events or circumstances of a questionable, fraudulent or illegal nature, or which appear to be in violation of this compliance program must report and disclose such events promptly to the Austin Hotline. Failure to report such events also constitutes a violation of this code.

### **AUSTIN HOTLINE (800) 880-4991**

A live operator from an outside company staffs the Austin Hotline, 24 hours a day, seven days a week. At any time, reports of concern or complaints regarding theft, fraud, kickbacks, destruction of company property, conflicts of interest, workplace violence, substance abuse, workplace safety, discrimination, sexual harassment, release of proprietary information, violations of government regulations, accounting and auditing irregularities, and other violations of company policy can be reported via the Austin Hotline at (800) 880-4991.

### **WHEN YOU CALL THE AUSTIN HOTLINE**

The Austin Hotline can be used to report any kind of complaint or potential violation. It may be used to report potential violations of this code of business conduct, discrimination and other complaints arising out of your employment, or concerns about safety issues.

First, you will speak to a live person who is not an Austin employee-owner, but who works for an independent, external company. This company submits reports to Austin's audit committee. He or she is trained to work with you to get the information necessary to start an investigation of your complaint or concern. The person will ask several questions to make sure he or she understands all the relevant facts and can pass the information on to the appropriate person within Austin. Complaints about violations of the code of business conduct are routed to Austin's compliance officer. Complaints about your legally protected rights arising out of employment are routed to Austin's Open Door coordinator. Complaints about safety and environmental issues are routed to Austin's corporate safety director.

Second, your identity will be kept confidential. You will not be required to disclose your name or any other information which could be used to identify you. In some cases, to resolve the complaint, the person handling the complaint will request your permission to disclose certain information that could compromise confidentiality. You will have an opportunity to decide whether you are willing to disclose the information. However, the company is required to conduct full investigations for certain issues, such as workplace discrimination or harassment, no matter how the information reaches the company. While every effort will be made to maintain confidentiality, conducting a full investigation could result in disclosing certain information that could compromise confidentiality. Additionally, law enforcement authorities may be in charge of certain investigations involving potential criminal activities and would be subject to their own rules and regulations.

Neither your supervisor nor Austin will take any action against anyone for reporting or threatening to report a concern or complaint, or cooperating with investigations provided that the person has acted in good faith and with a reasonable belief that his or her information is true. If, however, you believe you have been the subject of retaliation, call the Austin Hotline.

Third, you will be given an incident number by the Austin Hotline operator — write it down and save it. This will allow you to call back to the Austin Hotline to find out the

status of your complaint or concern. You will need to know the incident number to find out information about the investigation. When you call back, the operator may ask you additional questions raised by the person investigating your concern or complaint. Please help with the investigation by answering the questions as fully and accurately as you can. If you desire, you can be put in direct contact with the person investigating your concern or complaint. The investigator may be an Austin employee-owner, an Open Door facilitator or an independent investigator hired by Austin or the independent board of directors.

Fourth, your concern or complaint will be investigated as fully as possible with the information you provide. The investigator's ability to resolve the issue will be based, in part, on the completeness of the information you provide and the investigator's ability to verify that information. Our goal is to resolve each concern or complaint to your full satisfaction. However, it may not be possible to do so in every case.

Finally, the status of the investigation and the investigation's final results will be communicated to you in the manner you choose. If you chose to have your identity remain confidential, *the investigator's only contact with you is through the Austin Hotline*. Call back often to get updates. If you decide to disclose your identity, the investigator will contact you directly to update you on the results of the investigation.

Corporate policy A-6, *Policy for Reporting Misconduct or Policy Violations*, contains details on reporting requirements and Austin's policy against retaliation.

## **BUSINESS STANDARDS**

**A**ustin Industries employee-owners and contractor personnel have many obligations to the company and its success; to other employee-owners, customers and suppliers; to the communities in which Austin conducts its business; to local, state and federal governments; and to the laws and business practices of foreign countries when our work takes us abroad.

The ethical guidelines, which follow, are not meant to be all-inclusive. There are other Austin policies which deal with environmental issues, fair employment practices, conflict of interest, protection of confidential information and antitrust compliance.

Austin requires not only that every employee-owner's and contractor personnel's conduct be lawful, but also that it be ethical. No employee-owner or contractor personnel should be asked to do anything that is ethically offensive to him or her.

Employee-owners or contractor personnel with a question as to whether any course of conduct is proper should discuss the issue with his or her supervisor. If the question involves a conflict of interest on the part of the supervisor, the employee-owner or contractor personnel has the right - and may have an obligation - to discuss the issue with higher-level management and/or the law department. Employee-owners or contractor personnel who are not comfortable with something they are asked to do should refrain from doing it until they have investigated it sufficiently to be satisfied that what they plan to do is right and ethical. The company, its employee-owners and contractor personnel will obey the law in the conduct of company business.

## **QUESTIONABLE OR IMPROPER PAYMENTS**

The payment or use of company funds, resources or other property, including that of a third party, for any unlawful or improper purposes is prohibited. This includes payments or

services to obtain favorable treatment in retaining or securing business or special concessions. These activities are not permitted, regardless of whether the payments are made, directly or indirectly, to a government official or a private person. Nor is it permissible to use over-billings or other artificial methods of payment to assist a customer, subcontractor or vendor to evade the tax or other exchange control laws.

This policy is not intended to interfere with normal business entertaining of customers or prospective customers when done on an ordinary and customary basis. Nor does it prohibit modest gifts, when openly made, to express personal appreciation or friendship, or in special or appropriate situations. Applicable policies are outlined more fully in the corporate policy manual.

## **RELATIONS WITH CUSTOMERS, SUBCONTRACTORS, SUPPLIERS & COMPETITORS**

To foster the continuation of free enterprise, Austin recognizes the importance of laws which prohibit restraint of trade, predatory economic activities, and unfair or unethical business practices. The company will comply with such laws wherever they exist.

In all of its business dealings, Austin will:

- *Compete vigorously, but always ethically.*
- *Treat all customers, suppliers and subcontractors fairly.*
- *Not discuss pricing with competitors or customers in violation of applicable antitrust laws.*
- *Avoid any program or practice that could be characterized as unfair or deceptive.*
- *Present Austin's services in an honest and forthright manner.*
- *Refrain from comments about a competitor without a supportable basis for such statements, or act in a manner which could be construed as designed to exclude illegally one or more competitors or to control market prices.*
- *Make clear to all actual or potential suppliers and subcontractors that*

*Austin:*

- *Expects them to compete fairly and vigorously for Austin's business, and*
- *Will base its selection decision strictly on the supplier's / subcontractor's merits.*

## **RELATIONS WITH EMPLOYEE-OWNERS**

All Austin employee-owners and contractor personnel are required to adhere to the principles of equal employment opportunity and non-harassment, and to comply with all applicable laws and regulations concerning non-discrimination.

Corporate policy D-4, *Standards for Business Conduct*, contains more details.

## BASIC POLICY ON FINANCIAL MANAGEMENT

Austin has established policies and corresponding procedures to govern the actions of its employee-owners in such basic areas as financial reporting and controls, limitation or mitigation of risks, employment of capital, and other financial management issues. Managers are expected to communicate those policies and procedures to all employee-owners working under his or her direction and all employee-owners are expected to comply fully and timely with those policies and procedures.

• **Standards for Good Faith, Care and Competence** - All employee-owners, in both financial and operating roles, must:

- *Be competent to perform their assigned duties.*

- *Act in good faith.*

- *Exercise appropriate due care without misrepresenting material facts.*

- *Adhere to professional standards.*

- *Maintain independent judgment free of undue influence from others.*

• **Financial and Accounting Standards** - Austin Industries follows generally accepted accounting principles (GAAP) as issued by the Financial Accounting Standards Board, or any successor organization.

• **Protection of Company Assets** – Company assets and funds are properly recorded on the company’s books and records with appropriate control over unauthorized use or theft.

### FINANCIAL COMPLIANCE

The company complies with all laws, rules and regulations of federal, state and local governments and agencies that are applicable to the company’s operations, including financial reporting requirements of such laws, rules and regulations. This also includes the laws and business practices of foreign countries when our work takes us abroad.

Corporate policies C-1, *Basic Policy on Financial Management*, and C-2, *Responsibility for Financial Management*, contain more details.

### MANAGING COMPANY RECORDS

It is the policy of the company to retain important business records for a sufficient length of time to satisfy all legal, statutory and management requirements.

Understand what records you work with are required to be kept by law and for how long, and then faithfully do so. If any litigation, investigation or official inquiry is anticipated or underway then all records involved must be retained until the case is concluded. Disposing of or destroying records in such a case is against the law and could expose you and the company to civil and criminal penalties. Don’t do it. The information contained in our records must always be accurate. Misleading or false information may lead to bad operational decisions. Remember, the records could also become involved in official proceedings where providing misleading or false information is a violation of the law. Keep only what is required to be retained under our record retention policy.

Applicable policies are outlined more fully in policy A-14, *Record Retention*, in the corporate policy manual.

## GOVERNMENT INQUIRIES OR INVESTIGATIONS

Employee-owners may be approached by inspectors, investigators or other federal, state and local government officials charged with enforcing the law or regulatory requirements. Austin and its employee-owners deal honestly and truthfully with government officials performing their duties and provide all information required in the circumstances.

Additionally, government officials are required to go through certain procedures to obtain access to our business sites and to company information. It is important that all required procedures have been completed prior to granting the requested access. If you receive a request for site access or for information from a government official, contact our general counsel in the Dallas office law department to be sure what procedures are required and that they have been followed before granting access.

Once the government official has completed all the required procedures and access has been provided, understand what information is requested. Provide the requested information for which you have first-hand knowledge fully, truthfully and honestly. Do not volunteer information outside the scope of the inquiry. Again, our general counsel can assist in determining the scope of the inquiry.

Keep in mind you will need to secure all records and other evidence relevant to any inquiry is preserved. Discuss this issue with our general counsel and take affirmative actions necessary to prevent intentional and unintentional disposal of records. For example, suspend scheduled disposal of stored documents and automatic disposal of electronic records.

## CONFLICT OF INTEREST (BUSINESS ETHICS)

**A**ustin employee-owners and contractor personnel are expected to:

- *Treat fairly and impartially all persons and firms with whom Austin maintains business relationships.*
- *Deal fairly and ethically with current and prospective customers.*
- *Maintain freedom of action to deal impartially with suppliers.*
- *Conduct all of their activities in a way that avoids actions that may be adverse to the interests of the company.*

Austin Industries encourages its employee-owners and contractor personnel to participate in civic, social and other worthwhile activities throughout the community; however, no employee-owner or contractor personnel should make or influence decisions for Austin Industries in situations where a conflict of interest exists. A conflict of interest is defined as a civic, social, family or business relationship with any entity with which Austin Industries does business. A decision made when a conflict of interest exists, regardless of whether it actually affects the judgment of the individual, may create an unfavorable impression or may raise an implication of impropriety.

## GIFTS AND FAVORS

No employee-owner or contractor personnel may give or accept gifts or favors in his or her business relationships with other firms or persons with whom Austin does business or prospectively may do business in the future, unless recognized as proper under the guidelines.

Corporate policy B-4, *Conflict of Interest*, defines the guidelines and limited cases where Austin employee-owners may offer or accept gifts and favors of a minimal value.

## SAFETY AND ENVIRONMENTAL AWARENESS

Austin Industries and its operating companies understand that outstanding safety performance and elimination of environmental incidents are necessary to protect the individual employee-owner from injury and also preserve the assets of the organization. We will comply with all regulatory requirements, lead by example and provide the necessary training to ensure each employee-owner has the knowledge to perform his or her duties in a safe and productive manner.

Austin Industries and its operating companies consider that safely performing each task and eliminating environmental incidents are vital components to the future of our organization. Successful performance will prevent injuries, decrease cost, thus increasing profits, produce positive goodwill in the community and secure a strong financial future for all. This will require full participation by both management and individual employee-owners. It is Austin's goal to make sure everyone returns home each night in the same condition as they arrive at work each morning.

Corporate policy B-3, *Safety, Health and Environmental Policy*, contains more details.

## EMPLOYMENT AT AUSTIN

Austin Industries is an employee-owned company whose success is driven by the integrity, performance and experience of its employee-owners. Hiring, retaining, developing and promoting the most qualified individuals are critical to our ongoing success. To meet that objective, Austin Industries' policy is to:

- *Provide equal employment opportunities to all qualified applicants and employee-owners without regard to race, age, sex, religion, national origin, veteran status or disability with or without reasonable accommodation.*
- *Provide a healthy, safe and secure work environment, free of prohibited substances.*
- *Maintain a working environment free of harassment, intimidation and coercion.*
- *Comply to the fullest extent with the Civil Rights Act of 1964, the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and other applicable regulations.*

Refer to *Personnel Policies – A Manual for Austin Supervisors* for more detailed information.

# **ELECTRONIC MEDIA AND THE INTERNET**

## **E-MAIL AND INTERNET USE**

Austin's e-mail and Internet systems, including all company-owned hardware, software and PCs are the property of Austin Industries. Use of Austin's or the client's e-mail and Internet systems, except in limited circumstances, is for business purposes only.

Employee-owners and contractor personnel should have no expectation of privacy regarding the use of the e-mail and Internet systems.

Refer to corporate policy G-2, *E-mail and Internet Use*, for specifics.

## **PROTECTION OF CONFIDENTIAL INFORMATION**

It is an objective of Austin Industries to provide each employee-owner and contractor personnel with access to all of the information necessary to properly perform his or her job. It is also an objective of Austin Industries to protect information of competitive value from disclosure to competitors. Further, Austin must protect confidential and proprietary information entrusted to Austin by its employee-owners, contractor personnel and Austin's clients.

Refer to corporate policy D-3, *Protection of Confidential Information*, for details.

## **PUBLIC AFFAIRS**

### **POLITICAL CONTRIBUTIONS**

Austin Industries, as a corporation in compliance with federal law, does not contribute money to political parties or candidates at the federal level, or to candidates for local or state offices in states where such contributions are not permissible.