

## **ETHICAL POLICIES**

### **Conflict of Interest**

All purchasing personnel, employees participating in or influencing the purchasing decision and/or other employees performing the purchasing function, by nature of their increased exposure to potential conflicts of interest, must be ever mindful of the need to avoid conflicts of interest or appearance of influence.

### **Acceptance of Gifts, Favors, Service and/or Entertainment**

Most business courtesies offered to us in the course of our employment are offered because of our positions at Thiele Kaolin Company. We should not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at Thiele Kaolin Company to obtain business courtesies, and we must never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and good will with the firms that Thiele Kaolin Company maintains or may establish a business relationship with.

Employees who award any contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when Thiele Kaolin Company is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain Thiele Kaolin Company business.

### **Meals, Refreshments and Entertainment**

We may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

- They are not inappropriately lavish or excessive.
- The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.
- The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.
- The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

## Gifts

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

- Modest presents that commemorate a special occasion.
- Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).
- In no event should an employee of Thiele Kaolin Company put the Company or him-or herself in a position that would be embarrassing if the gift were made public.

Employees may not accept compensation, honoraria or money of any amount from entities with whom Thiele Kaolin Company does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) that have a market value greater than \$100 may not be accepted unless approval is obtained from management.

Employees with questions about accepting business courtesies should talk to their supervisors or the Purchasing Department.

## Confidentiality and Trade Secrets

The company requires that strict confidentiality be maintained involving both vendor and company proprietary information. Any performance data relating to a vendor's product or process, as well as any bid received from a vendor, must not be disseminated to their competitors. Strict confidentiality must be maintained on actual prices paid to a vendor for a specific good or service.

All information relating to the company's processes or products shall be considered proprietary unless designated in writing as nonproprietary. Such information may come to a vendor as the result of their participation in purchase negotiations, trials, or studies.

Use of a vendor's product does not authorize the vendor to use the name of, or make reference to Thiele Kaolin Company in any releases for public or private dissemination.

## Business Conduct

Thiele Kaolin Company will not permit procurement of its requirements in a manner that compromises its standards. **Purchasing** employees, and other employees performing procurement functions, encounter issues in their relations with vendors that require ethical business conduct. These include, but are not limited to, the following:

- A. Presenting the company's requirements, policies and practices factually and completely.
- B. Living up to commitments and agreements.
- C. The use of fair dealing in resolving disputes or differences.
- D. Developing relationships based on common objectives and mutual trust.

**Employee Owned Businesses**

In order to maintain consistent and fair purchasing policies throughout the company, no purchasing or other services shall be solicited by or awarded to any active Thiele employee. This includes active employees who have businesses completely separate from Thiele Kaolin. There will be no exceptions to this policy without prior written approval by the Executive Vice President and Director of Purchasing.

**Personal Purchases**

***Purchasing*** resources will not be used for making personal purchases unless pre-approved by the department head of human resources and the director of purchasing.