

Vendor Code of Business Conduct

Watson & Chalin Manufacturing, Inc.

TABLE OF CONTENTS

Introduction	2
Legal and Regulatory Compliance	2
Business Practices	2
Non-disclosure/ Intellectual Property	4
Employment Practices	4
Workplace Harassment	5
Compliance with the Company's Vendor Code of Conduct	5
No creation of third-party rights	6
Compliance with Client codes of conduct	6
Reporting of questionable behavior and/or possible violations	6

INTRODUCTION

Watson & Chalin Manufacturing, Inc..., including its divisions, affiliates and related entities (collectively, the "Company"), expects that its Vendors and their Representatives will share and embrace the Company's desire to conduct business in full compliance with all applicable laws and with high ethical standards. The Company understands that Vendors are independent entities. However, the business practices and actions of a Vendor or their Representative may impact and/or reflect upon the Company, its products and services, and its reputation and goodwill. Because of this, the Company expects all Vendors and their Representatives to adhere to the Company's Vendor Code of Conduct while they are conducting business with and/or on behalf of the Company. All Vendors should educate their Representatives to ensure they understand and comply with the Company's Vendor Code of Conduct .

The Company will conduct business in accordance with all applicable laws and regulations. However, compliance with the law does not comprise the entire ethical responsibility of the Company's directors, officers, employees, agents and vendors. Accordingly, the Vendor Code of Business Conduct goes beyond compliance with the applicable laws and demands adherence to the guiding values and standards expressed in the Company's policies. Local, state, national and international laws do not supercede the guidelines outlined in the Vendor Code of Business Conduct.

The term "Vendor(s)" means any firm, consultant or agency that provides on-site services to the Company or indirectly to any of its customers. The term "Representative(s)" means the employees, agents or subcontractors of Vendor(s) who are conducting business with and/or on behalf of the Company.

LEGAL AND REGULATORY COMPLIANCE PRACTICES

All Vendors and Representatives shall conduct their business with and/or on behalf of the Company in full compliance with the applicable laws of the United States and foreign jurisdictions, and in a manner that will always reflect a high standard of ethics. In addition to any specific obligations under the Vendor's agreement with the Company, Vendors and Representatives shall, without limitation:

- Comply with all applicable trade control laws, as well as all export, re-export and import requirements.
- Conduct business in full compliance with applicable antitrust, trade practice, and fair competition laws. In all contacts with the Company's competitors, Vendors should not discuss or enter into any agreements or understandings concerning either the Company's prices, markets, marketing activities, customers or any other competitively sensitive or proprietary or confidential information.
- Comply with all applicable environmental laws and regulations.
- Be honest, direct, and truthful in discussions with regulatory agency representatives and government officials.
- Not participate in, or engage in any activity that could have the effect of promoting a boycott or restrictive trade practice fostered by a foreign country against customers or suppliers located in a country friendly to the U.S., or against a U.S. person, firm or corporation.
- Comply with the anti-corruption laws of the countries in which the Vendor does business, including the United States Foreign Corrupt Practices Act, and not make any direct or indirect payments or promises of payments to foreign government officials for the purpose of inducing the individual to misuse his/her position to obtain or retain business.

BUSINESS PRACTICES

All Vendors and Representatives shall conduct their business with and/or on behalf of the Company with integrity and in accordance with the terms of their agreement(s) with the Company. In addition to any specific obligations under the Vendor's agreement with the Company, Vendors and Representatives shall, without limitation:

- Honestly and accurately complete, record, report, retain and dispose of business information and records in full compliance with applicable legal and regulatory requirements.
- Use the physical and intellectual assets of the Company, including property, supplies, consumables and equipment, only for Company business and only when authorized by the Company to use such assets.

- Use the Company-provided information technology and systems (including e-mail, Internet and voice mail) only for authorized Company business. The Company strictly prohibits Vendors and Representatives from using Company-provided technology and systems to create, access, store, print, solicit or send any material that is intimidating, harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate. Use of Company-provided information assets and systems to create, access, store, print, solicit or send any false, derogatory, or malicious communications is also prohibited.
- Not use the Company's assets and systems for personal reasons, unless specifically authorized by the Company. The unauthorized removal of assets and/or systems from Company facilities is also prohibited. These assets and systems, and all communications and information transmitted by, received from, or stored therein, are and remain the Company's property and shall be used only for authorized Company business.
- Not discuss internal Company matters or developments with anyone outside of the Company, except as required in the performance of their work with and/or on behalf of the Company, and in compliance with applicable laws and any confidentiality agreements to which the Company may be a party or otherwise subject to. This prohibition applies specifically (but not exclusively) to inquiries about the Company, which may be made by the media, analysts or others.
- Comply with all Company requirements for maintenance of passwords, confidentiality, security, and privacy procedures, including without limitation, those related to the Company's internal corporate network, systems and buildings. All communications, information and data stored, transmitted or received on Company-owned or leased equipment are and remain the property of the Company. The Company may monitor all use of its corporate networks and systems (including e-mail) and/or access all communications, information and data stored, transmitted or received using the Company's networks and systems.
- Not give or offer anything of value to any public official with the intent to influence any official act. Nor shall any Vendor or Representative pay or offer any bribe.
- Not engage in insider trading by buying or selling the Company's or another company's stock when in possession of non-public information about the Company or another company that is not available to the investing public and that could influence an investor's decision to buy or sell stock. Disclosure of inside information to others is also prohibited.
- Not offer, give, provide or accept gifts or entertainment to/from the Company's employees, immediate family members of an employee, or an agent of the Company, unless such gift or entertainment: is infrequent; arises out of the usual course of business; is not a cash gift; is consistent with customary business practices; involves reasonable expense or nominal value; cannot be construed as a bribe or payoff; does not obligate the recipient in any manner; is reasonable and appropriate for the individuals involved and the business at hand; and does not violate applicable laws or regulations. Reasonable expenses for permitted entertainment and nominal value for a gift shall not exceed \$200 for any individual recipient. Written authorization from the Company is required for gifts or entertainment that do not meet the foregoing criteria.
- Avoid the appearance of or actual improprieties and/or conflicts of interests. Vendors and Representatives shall not deal directly with any Company employee whose spouse, domestic partner, or other family member or relative holds a significant financial interest in the Vendor. Dealing directly in the course of negotiating the Vendor agreement or performing the Vendor's obligations with a spouse, domestic partner, or other family member or relative who is employed by the Company is also prohibited. Vendors and Representatives must disclose to the Company any service (whether as a consultant, employee, officer, director, agent or in any other capacity) to a company that competes with, or does or seeks to do business with the Company. A Vendor's or Representative's ownership or financial interest in any business enterprise that does or seeks to do business with the Company (as a supplier, customer, lessor, lessee or agent), or is in competition with the Company, may also create the reality or appearance of a conflict of interest and must also be disclosed to the Company. Such a conflict of interest does not exist if: the enterprise is a corporation whose securities are listed on a national securities exchange, are quoted on NASDAQ or are customarily traded at least once a week on an over-the-counter market, or the ownership is through a widely-held mutual fund.

NON-DISCLOSURE/INTELLECTUAL PROPERTY

During their work with and/or on behalf of the Company, Vendors and Representatives may be exposed and have access to information relating to the Company and its business which is proprietary and confidential to the Company and/or third parties ("Confidential Information," as further defined below). Vendors and Representatives shall take all reasonable steps and actions necessary to prevent and/or limit the use or disclosure of any Confidential Information. In addition, all inventions, improvements and discoveries made by Vendors and Representatives in the course of their work with and/or on behalf of the Company shall be the sole and exclusive property of the Company without additional payment. In order to give effect to the foregoing and as a further condition to their work with and/or on behalf of the Company, Vendors and Representatives shall:

- Not disclose to others or use any Confidential Information, except for authorized Company business or as may be required by law. The term, "Confidential Information" includes all non-public information relating to the Company's present or planned business activities, including but not limited to pricing, financial data, inventions, designs, trade secrets and know-how, marketing and sales plans, acquisition or divestiture opportunities, research and development information, and customer and supplier information. Upon request of the Company and, in any event, promptly upon the conclusion of their work with and/or on behalf of the Company, Vendors and Representatives shall deliver to the Company, all documents and other materials in their possession relating, directly or indirectly, to any and all Confidential Information, as well as all other property belonging to the Company, without retaining any copies, notes, photographs or other reproductions. The obligation to protect the Company's Confidential Information shall continue after the conclusion of Vendor's or Representative's work with and/or on behalf of the Company.
- Communicate to the Company or its designee, and assign to the Company or its designee, their entire right title and interest (including the right to claim priority under applicable international treaties and regulations) in and to each and every invention, improvement or discovery (whether or not patentable) heretofore or hereinafter made, conceived, or reduced to practice by Vendor or Representative, individually or jointly with any other person or persons, during their work with and/or on behalf of the Company and for one year thereafter; provided, however, these obligations to assign do not apply to any invention for which no equipment, supplies, facility, or trade secret information of the Company were used and which was developed entirely on Vendor's or Representative's own time, unless: (a) such invention relates (i) to the business of the Company, or (ii) to the Company's actual or demonstrably anticipated research or development; or (b) such invention results from any work performed by Vendor or Representative for the Company. Vendors and Representatives shall disclose all such inventions, improvements or discoveries promptly and fully to the Company, in order to secure to the Company its or its designee's rights in any said invention, improvement or discovery, including proper patent applications and assignments thereof to the Company or its designee (all at its expense), and preliminary and other statements required in any proceeding in which such patent applications or patents thereon may be involved.

EMPLOYMENT PRACTICES

Equal employment opportunity practices are integral to the Company's daily activities and extend to all aspects of employment, including without limitation, recruitment and hiring, compensation, promotion and demotion, transfer, training and development, termination, layoff, discipline, and work assignment. The Company expects its Vendors to share its commitment to providing equal employment opportunities without regard to race, color, religion, ethnicity, gender, national origin, disability, age, sexual orientation, veteran's status or any other legally impermissible factor. Vendors shall conduct their employment practices in full compliance with all applicable laws and regulations. In addition to any specific obligations under the Vendor's agreement with the Company, all Vendors (and, where applicable, Representatives) shall, without limitation:

Support the Company's policy of compliance with applicable laws and regulations regarding health, safety and process risk management. Vendors and Representatives are expected to abide by all Company safety rules and practices, assume responsibility for taking the necessary precautions to protect themselves and co-workers, and promptly report any unsafe practices or conditions to the Company. Vendors and Representatives are also expected to report defective products and do whatever possible to ensure that the Company provides quality products to its customers.

- Report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The Company prohibits the use, possession, distribution, and/or sale of illegal drugs or alcohol while on Company owned or leased property. The Company reserves the right to conduct medical screens for illegal drugs or alcohol or to search lockers, desks, or other property on its premises within the provisions of applicable laws.

- Comply with all applicable wage/hour laws and regulations, including those relating to minimum wages, working hours and overtime pay.
- Cooperate with the Company's commitment to a workplace free of violence. The Company expects Vendors and Representatives to resolve any differences through discussion and, if necessary, through the assistance of a Company representative. The Company will not tolerate violence of any kind in the workplace.
- Maintain employee records in accordance with applicable laws and regulations.
- Cooperate with the Company's commitment to a workforce free of harassment and unlawful discrimination.

WORKPLACE HARASSMENT

Prohibited workplace harassment is any unwelcome or unwanted conduct based on an individual's race, color, religion, ethnicity, gender, national origin, disability, age, sexual orientation, veteran status or any other legally protected status that is made an explicit or implicit term or condition of an individual's employment, or unreasonably interferes with job performance, or creates an intimidating, hostile or offensive working environment.

Examples of prohibited conduct include unwanted sexual advances; offering employment benefits in exchange for sexual favors; making or threatening reprisals after a negative response to sexual advances or to discriminatory conduct; or using the Company's communications systems to access, display, transmit or receive sexually explicit images or messages, slurs, epithets or anything else that could be construed as offensive, disparaging or disruptive. Types of visual conduct that may be prohibited include: leering; making sexual gestures; displaying objects, pictures, cartoons or posters that are sexually suggestive or derogatory with respect to race, religion, gender, national origin or any other protected status. Similarly, examples of other conduct that are prohibited when unwelcome include: making or using derogatory comments, epithets, slurs, jokes of a sexual nature or comments regarding race, religion, gender, national origin or any other protected status; graphic commentaries about an individual's body; using words that are degrading on account of their reference to sexuality or another protected status; or sexually suggestive or obscene letters, notes or invitations. In addition, unwelcome touching, impeding or blocking movements or other physical conduct that is sexual in nature or is on account of a person's protected status is also prohibited.

Anyone who believes that he or she has been the victim of prohibited workplace harassment should, if they are comfortable doing so, inform the offender that he or she finds the behavior inappropriate and ask that it be stopped. If anyone is being asked to stop such conduct they should respect the request and stop. If they are not comfortable talking to the offender, such vendor should report any problems concerning equal employment opportunity or workplace harassment to his or her agency supervisor, anyone within the Human Resources function or the Corporate Compliance Committee.

The Company will conduct an investigation promptly and with sensitivity to confidentiality to the extent practicable. All vendors are expected to cooperate in such investigations. The Company will not tolerate threats or acts of retaliation against anyone for using the complaint channels or cooperating in an investigation.

Vendors who are found to have engaged in conduct in violation of Company policies, or to have misused their positions of authority in this regard, or to be uncooperative during an investigation, or to have made a knowingly false complaint, or to have retaliated against someone for reporting or providing information about a claim, The Company will terminate its relationship with the Vendor.

COMPLIANCE WITH THE COMPANY'S VENDOR CODE OF CONDUCT

It is the responsibility of each Vendor to ensure that their Representatives understand and comply with the Company's Vendor Code of Conduct and to inform its Company contact (or a member of the Company's management) if and when any situation develops that causes the Vendor or any Representative to operate in violation of this Code. The Company's Vendors are expected to self-monitor their compliance with this Vendor Code of Conduct. In addition to any other rights the Company may have under its agreement with Vendor or applicable law, the Company may request the immediate removal of any Representative who behaves in a manner that is unlawful or inconsistent with this Vendor Code of Conduct or any other applicable Company policy.

The Company will not tolerate violation or circumvention of any laws of the U.S. or a foreign country by a Vendor or Representative. Nor will the Company tolerate the disregard or circumvention of corporate policy or the engagement in unethical dealings in connection with the Company's business. The Company will terminate its relationship with Vendors who fail to comply with this Code of Conduct or cooperate with any related investigation.

All Vendors and Representatives shall be bound by the Terms and Conditions of Watson & Chalin Manufacturing, Inc. Purchase which includes reference to the Vendor's Code of Conduct and the actions of Vendor and its Representatives. The Vendor agrees that its Representatives shall fully comply with the Company's policies, practices and rules including the Vendor's Code of Conduct published on the Supplier's website at www.wastonsuspensions.com. The Vendor is responsible for the actions of its Representatives. Additionally, the Vendor's Representative may be required to sign an Acknowledgement at the request of the Company acknowledging that the Vendor's Representative agrees to the terms as outlined in the Terms and Conditions of *Watson & Chalin Manufacturing, Inc.* Purchase and the Vendor's Code of Conduct.

NO CREATION OF THIRD-PARTY RIGHTS

This Vendor Code of Conduct does not confer, nor shall it be deemed to confer, any rights on the part of third-parties, including any third-party beneficiary rights. For example, no Representative of any Vendor shall have any rights against the Company by virtue of this Vendor Code of Conduct, nor shall such Representative have any rights to cause the Company to enforce any provisions of this Code, the decision with respect to any such actions being reserved by the Company in its sole discretion. Additionally, neither the execution of this Vendor Code of Conduct by Vendor or Representative nor any of the terms included herein shall create an employment relationship between the Company and any Vendor or Representative.

COMPLIANCE WITH CLIENT CODES OF CONDUCT

If any Vendors are hired by the Company on behalf of a client, the Company also expects that such Vendors and their Representatives will comply with all applicable rules, policies, procedures and codes of conduct maintained by the client, including in the event they are more restrictive than the provisions of this Vendor Code of Conduct. In the event of any actual or perceived conflict between this Code of Conduct any codes maintained by a client, Vendors and Representatives are expected to work with the Company and the client to resolve the situation in a mutually satisfactory manner.

REPORTING OF QUESTIONABLE BEHAVIOR AND/OR POSSIBLE VIOLATIONS

The Company encourages Vendors and Representatives to promptly report any questionable behavior or possible violation of the Vendor Code of Conduct to their primary Company contact. Alternatively, suspected violations of the Vendor Code of Conduct may be reported to the Company's HR Representative at the following address: HR Representative Watson & Chalin Manufacturing, Inc. 725 E. University Drive, McKinney, TX 75069. Questions about the Vendor Code of Conduct may also be brought to the attention of any of the following employees.

Vice President, Watson & Chalin Manufacturing, Inc.

Human Resources Representative, Watson & Chalin Manufacturing, Inc.

Purchasing Agent, Watson & Chalin Manufacturing, Inc.

The Company will not tolerate any retribution or retaliation taken against any individual who has, in good faith, sought out advice or has reported questionable behavior and/or a possible violation of this Vendor Code of Conduct.

The Company thanks its Vendors and their Representatives for their cooperation with this important policy and looks forward to a mutually beneficial relationship based on the highest levels of ethical behavior.