

## **Guide Services, Inc.**

### **Code of Ethical Conduct**

#### ***I. Statement of Policy***

It is the policy of Guide Services, Inc. ("Guide Services") to maintain the highest ethical standards and to comply with all applicable laws, rules, and regulations. We believe that adherence to this policy will ensure our continued success and will earn and maintain the confidence of our customers and the community in which we live. In order to ensure that Guide Services operates pursuant to this policy, we have established this Code. The following general rules comprise and implement Guide Services' official Code:

1. All employees must comply with this Code. Any employee violating this Code is subject to discipline, which may include demotion or dismissal.
2. All employees have a duty to report all suspected violations of this Code or other potentially unethical behavior by anyone, including, without limitation, employees, agents, customers, subcontractors, suppliers, and prime contractors, to the Compliance Officer.
3. Employees in management positions are personally accountable for their own conduct and the conduct of those reporting to him or her. Each management employee is expected to inform those reporting to him or her about this Code and take all necessary steps to ensure compliance with this Code.
4. No employee has the authority to direct, participate in, approve, or tolerate any violation of this Code by any person or entity.
5. Any employee who has questions about the application of this Code should consult with the Compliance Officer.

#### ***II. Definitions***

*Code of Ethical Conduct:* The written statement of acceptable behavior by Guide Services' officers, directors, and employees that ensures Guide Services operates according to the highest ethical standards.

*Code:* The Code of Ethical Conduct.

*Corporate Compliance Officer:* The company official designated by the President and Board of Directors to be responsible for implementing and administering the Code.

*Corporate Compliance Program:* The written procedures and policies used by Guide Services that are designed to ensure that all officers, directors, and employees are aware of the Code and

adhere to its standards. The Program is implemented and administered by the Corporate Compliance Officer.

*Employee:* Any person employed by Guide Services, including employees, foremen, managers, officers, directors, and persons authorized to act on behalf of Guide Services.

*Program:* The Corporate Compliance Program.

### ***III. Standards of Conduct***

#### **A. Equal Employment and Nondiscrimination**

The continued success of Guide Services is dependent upon employing the most qualified people and establishing a work environment that is free of discrimination, harassment, intimidation or coercion related to race, color, religion, sex, age, national origin, disability, or sexual orientation, among other things. This policy extends to all phases of employment, including hiring, placement, promotion, transfer, compensation, benefits, training and the use of facilities. Guide Services is committed to complying with all applicable laws related to equal employment opportunities and to ensuring that there is no unlawful discrimination by any officer, director, or employee. For all employees, Guide Services shall provide a work environment in which everyone is treated with respect, trust, honesty, fairness, and dignity. (See Guide Services Equal Employment Opportunity Policy) Any person who has reason to believe that there may have been violations of any aspect of Guide Services' equal employment and nondiscrimination policy shall report such suspected violation immediately to the Compliance Officer.

#### **B. Environmental Compliance**

Guide Services is committed to full compliance with all federal, state and local environmental laws, standards, and guidelines. Not only is environmental compliance legally necessary, but also it is an important component of our obligation to the community and our good reputation. It is essential that each employee comply with all applicable environmental laws and guidelines. No one at Guide Services may participate in concealing the improper discharge, disposal, or storage of any hazardous materials or other pollutants. Any person who has reason to believe that there may have been violations of any aspect of Guide Services' environmental compliance policy shall report immediately Guide Services' Compliance Officer.

In addition to compliance with all environmental laws and guidelines, Guide Services is also committed to utilizing energy and materials in a manner that will minimize the impact on the environment. Guide Services will consider using recycled materials whenever feasible. Any employee with ideas on energy savings or materials or the use of recycled materials is encouraged to submit them to Guide Services' Compliance Officer.

### **C. Safety & Health**

Guide Services considers employee safety and health to be of the highest importance. Many of the job activities, products, and materials handled by Guide Services' employees require strict adherence to safety procedures, rules and regulations. Each employee must follow all applicable procedures and health and safety laws in accordance with Guide Services' safety program. Also, supervisors are responsible for ensuring that all reasonable safeguards and precautions are taken in the workplace and for promoting general compliance with the Guide Services' procedures and guidelines, safe work practices, and the use of personal protective equipment. Any employee who has safety related concerns should report them to Guide Services' Safety Officer.

### **D. Drugs and Alcohol**

Guide Services is committed to providing its employees with a safe and productive work environment and to promoting high standards of employee health. Accordingly, Guide Services expects all of its employees to report to work as scheduled and to be able to perform their duties productively and safely. Drug and alcohol abuse by employees is regarded as unsafe because it creates an increased risk to the safety of the individual, fellow employees, and the general public. Furthermore, drug and alcohol abuse is contrary to Guide Services' interest in maximizing its productivity. Therefore, Guide Services will not tolerate drug and alcohol abuse and will take appropriate action to ensure compliance with this policy. Any person discovered to be using or under the influence of drugs or alcohol in the workplace will be subject to discipline, including termination.

### **E. Misconduct Off the Job**

Employees must avoid conduct off the job that could impair work performance or affect Guide Services' reputation or business interests. In order for Guide Services to determine whether off the job conduct could impair work performance or affect the company's reputation or business interests, each employee must promptly report: (1) any arrest pending final resolution or conviction for any felony (or state or local law felony equivalent); (2) any arrest pending final resolution or conviction for a crime involving dishonesty, assault or battery; or (3) any other arrest pending final resolution or conviction which may affect an employee's ability to perform his or her job or otherwise affect Guide Services' business interests. Any conduct deemed harmful to an employee's work performance or Guide Services' reputation or business interests will result in discipline, including termination.

## **F. Conflicts of Interest**

Employees must avoid situations in which their personal interests conflict with, or even appear to conflict with, the interests of Guide Services. A conflict of interest may arise in any number of situations. Therefore, employees should avoid situations where their position or responsibilities with Guide Services present an opportunity for personal gain or profit separate and apart from their earnings from Guide Services or where their interests are otherwise inconsistent with the interests of Guide Services. If any employee thinks that any situation may present a potential conflict of interest, he or she should promptly consult with the Compliance Officer. The following situations have a great potential for conflicts of interest:

### **1. Outside Employment**

As a matter of company policy, employees may pursue outside employment opportunities. However, such opportunities must not interfere with the employee's job responsibilities or job performance at Guide Services. Any outside employment that interferes with the employee's job responsibilities or conscientious performance of his or her duties is deemed to be a conflict of interest which is not permitted.

Additionally, employees may not use company time or resources to further non-company business. The Guide Services name may not be used to lend weight or prestige to an outside activity without prior approval from the Compliance Officer. Prior to engaging in any outside employment activity or participating in any civic, charitable, or professional organization or activity that may give rise to an actual or potential conflict of interest; the employee must consult with the Compliance Officer and obtain express written approval.

### **2. Personal Financial Interests**

Employees should avoid personal financial interests that might conflict with the interests of Guide Services. Such interests may include, but are not limited to, the following:

- Obtaining a financial or other beneficial interest in a supplier, customer, or competitor of Guide Services.
- Directly or indirectly having a personal financial interest in any business transaction that may be adverse to Guide Services.
- Acquiring real estate or other property that the employee knows, or reasonably should know, is of interest to Guide Services.

The personal financial interests described in this section should be avoided not only by the employee, but also by the employee's spouse, children, parents, grandparents, siblings and family

in-law. This also includes the use of any Guide Services computer or electronic device for personal reasons, or inappropriate and illegal use of these devices. The use of any Guide Services vehicles or equipment for personal use and or gain is expressly prohibited. All equipment owned by Guide Services is only to be used for approved Guide Services jobs and business. If the employee knows, or reasonably should know, that a personal financial interest might conflict with the interests with Guide Services, the employee must first consult with the Compliance Officer and obtain express written approval of such interests. The failure of an employee to obtain written approval of any questionable activity that relates to his or her personal financial interests will be grounds for disciplinary action, up to and including termination.

## **G. Gifts and Entertainment**

### **1. Bribery and Kickbacks**

All forms of bribery and kickbacks are illegal and are expressly prohibited. Any employee caught participating in such activity shall be promptly terminated. Any employee who knows about, or should reasonably know about, any such activity and fails to report it to the Compliance Officer shall also be disciplined and may be terminated.

### **2. Government Personnel**

All forms of gifts and entertainment given to or received from government personnel (Federal, State, and local), including persons that may be acting for or on behalf of the government, are expressly prohibited.

### **3. Non-Governmental Personnel**

Receiving or accepting gifts or entertainment in the business context is a particularly sensitive area and can be inappropriate, or even illegal, depending on the circumstances. It is vitally important that employees exercise sensitivity and caution when giving or receiving gifts and entertainment to or from non-governmental personnel (as stated above, the giving or receiving of gifts from government personnel is strictly prohibited). Prior to accepting any gift, entertainment, or thing of value from non-governmental personnel, he or she may consult with the Compliance Officer. Regardless of the circumstances, the following rules apply:

- The Corporate Compliance Officer must approve the giving or receiving of all forms of gifts and entertainment.
- Money, in any form, shall never be given, offered, solicited, or accepted.
- No gift or entertainment may be given or received if it is, or could reasonably be construed to be intended to influence an employee's decision.

- No employee may encourage or solicit gifts or entertainment of any kind from any individual or entity with whom Guide Services conducts business.
- The Compliance Officer may authorize the expenditure of a non-monetary gift or entertainment with a value equal to or less than \$500 in the aggregate for any calendar year to an individual or entity with whom Guide Services conducts business, but only if it is for a legitimate and identifiable business purpose.
- Employees may receive a non-monetary gift or entertainment from an individual or entity with whom Lu conducts business with a value equal to or less than \$500 in the aggregate for any calendar year, provided that such gifts or entertainment are reported to and approved by the Compliance Officer and is for a legitimate and identifiable business purpose.

## **H. Communications and Records**

All employees are expected to be familiar with, and conform to, Guide Services' document retention policy as well as the Guide Services' recordkeeping and reporting procedures. All Guide Services and employee communications, correspondence, and records must be accurate, complete, and timely. This includes all electronic clock records, time sheets, log books, completed quantities sheets, charge sheets, equipment sheets, mileage sheets, fuel sheets, and safety sheets. The contents of any written communication must be legible and unambiguous. If, after making any communication, correspondence, or record, the employee discovers a mistake has been made, then the employee must immediately take all steps as may be reasonably necessary to correct the mistake, including informing the Compliance Officer of the error. Failure to follow these directives will result in discipline, which may include termination.

## **I. Antitrust Policy**

Guide Services is fully committed to compliance with the antitrust laws, which are designed to promote free and open competition in the marketplace. It is therefore essential that every employee be generally aware of all relevant antitrust laws and that all employees who are actively involved in the bidding process participate in Guide Services' Antitrust Program. Below is an overview of the anti-trust laws:

The Sherman Act is the primary federal antitrust statute. The Sherman Act prohibits any agreement among competitors to fix prices, rig bids, or engage in other anticompetitive activity. Violation of the Sherman Act is a felony punishable by a fine of up to \$10 million for corporations, and a fine of up to \$350,000 or 3 years imprisonment (or both) for individuals and may subject the Company and/or the individual to suspension or debarment. In addition, collusion among competitors may constitute violations of the mail or wire fraud statute, the false statements statute, or other federal felony statutes. In addition to receiving a criminal sentence, a corporation or individual convicted of a Sherman Act violation may be ordered to make restitution to the victims for all overcharges. Victims of bid-rigging and price-fixing conspiracies also may seek civil recovery of up to three times the amount of damages suffered. Most criminal antitrust prosecutions involve price fixing, bid rigging, or market division or allocation schemes.

Under the law, price-fixing and bid-rigging schemes are per se violations of the Sherman Act. This means that where such a collusive scheme has been established, it cannot be justified under the law by arguments or evidence that, for example, the agreed-upon prices were reasonable, the agreement was necessary to prevent or eliminate price-cutting or ruinous competition, or the conspirators were merely trying to make sure that each got a fair share of the market.

Antitrust laws are complex, and violation of antitrust laws is a felony which could result in criminal prosecution of the employee and the company and could result in substantial fines, imprisonment, or disbarment. In addition, collusion among competitors may constitute an antitrust violation or fraud. Examples of clear violations of antitrust law include:

### **1. Price-Fixing**

Price-fixing is an agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. It is not necessary that the competitors agree to charge exactly the same price or that every competitor in a given industry join the conspiracy. Price-fixing can take many forms, and any agreement that restricts price competition violates the law. Other examples of price-fixing agreements include those to:

- Establish or adhere to price discounts;
- Hold prices firm;
- Eliminate or reduce discounts;
- Adopt a standard formula for computing prices;
- Maintain certain price differentials between different types, sizes, or quantities of products;
- Adhere to a minimum fee or price schedule;
- Fixed credit terms;
- Not advertise prices.

### **2. Bid-Rigging**

Bid-rigging occurs when conspiring competitors effectively raise prices for purchasers-often federal, state, or local governments-that acquire goods or services by soliciting competing bids. Essentially, competitors agree in advance who will submit the winning bid on a contract being let through the competitive bidding process. Bid-rigging also takes many forms, but bid-rigging conspiracies usually fall into one or more of the following categories:

- **Bid Suppression:** In bid suppression schemes, one or more competitors who otherwise would be expected to bid, or who have previously bid, **agree** to refrain from bidding or withdraw a previously submitted bid so that the designated winning competitor's bid will be accepted.
- **Complementary Bidding:** Complementary bidding (also known as "cover" or "courtesy" bidding) occurs when some competitors agree to submit bids that either is too high to be accepted or contain special terms that will not be acceptable to the buyer. Such bids are not intended to secure the buyer's acceptance, but are merely designed to give the appearance of genuine competitive bidding. Complementary bidding schemes are the most frequently occurring forms of bid rigging, and they defraud purchasers by creating the appearance of competition to conceal secretly inflated prices.
- **Bid Rotation:** In bid rotation schemes, all conspirators submit bids but take turns being the low bidder. The terms of the rotation may vary; for example, competitors may take turns on contracts according to the size of the contract, allocating equal amounts to each conspirator or allocating volumes that correspond to the size of each conspirator company. A strict bid rotation pattern defies the law of chance and suggests collusion is taking place.
- **Subcontracting:** Subcontracting arrangements can be part of a bid-rigging scheme. Competitors who agree not to bid or to submit a losing bid frequently receive subcontracts or supply contracts in exchange from the successful low bidder. In some schemes, a low bidder will agree to withdraw its bid in favor of the next low bidder in exchange for a lucrative subcontract that divides the illegally obtained higher price between them

### **3. Market Division**

Market division or allocation schemes are agreements in which competitors divide markets among themselves. In such schemes, competing companies allocate specific customers or types of customers, products, or territories among themselves.

Compliance with the antitrust laws is a serious matter, and, as explained above, violations could subject both the company and the individual to substantial civil and criminal liability. Accordingly, any employee who violates antitrust laws shall be terminated. Additionally, any employee who knows, or reasonably should know, that an antitrust violation has or will occur and fails to report it to the Compliance Officer will be subject to discipline, which may include termination.

## **J. Claims**

All requests or demands for payment made on behalf of Guide Services pursuant to any contract or business agreement shall truthfully and accurately reflect the value of the goods or services provided. Under no circumstances shall an employee make a false claim to any customer or vendor of Guide Services. Any employee who files a false claim shall be terminated. Any employee who knows, or reasonably should know, that another employee has submitted, or intends to submit, a false claim and fails to report it to the Compliance Officer, will be subject to discipline, which may include termination.

## **K. Statements & Certifications**

All statements, representations, and certifications made on behalf of Guide Services, whether written or oral, shall be accurate, truthful, and timely. Under no circumstances may an employee make an intentionally false or misleading statement, representation, or certification.

Additionally, as employees are often required to certify that they and Guide Services have complied with various contractual provisions and regulatory requirements, employees must be aware of the requirements applicable to their jobs and ensure that all certifications are accurate. No employee shall intentionally make a material omission of fact or materially misleading statements. If an employee discovers or suspects any misrepresentation, misstatement, misunderstanding, omission or other mistake, he or she must immediately disclose it to the Compliance Officer so that Guide Services can take prompt steps to remedy the situation.

## **L. Commitment to Disadvantaged Business Enterprises**

Guide Services is committed to full compliance with the Disadvantaged Business Enterprise (DBE) program and other government sponsored opportunity programs and seeks to maximize the opportunities of DBEs. Accordingly, Guide Services will not discriminate on the basis of race, color, national origin, or sex in the hiring of suppliers or subcontractors and will foster an environment in which everyone is treated with respect, trust, honesty, fairness, and dignity. For every government-funded contract, Guide Services will make good faith efforts to ensure the participation of DBEs in subcontracts and that each DBE is executing the work and carrying out its responsibilities by actually performing, managing, and supervising the work.

## **IV. Obligation to Report Violations and Cooperation**

Each Guide Services employee must promptly report any known or suspected violation of this Code of Ethical Conduct and all other unlawful or unethical conduct to the Compliance Officer. Employees are obligated to report such known or suspected conduct without regard to the identity or position of the suspected offender. Any report made under this section will be strictly confidential. Under no circumstances will any employee who makes a report be subject to acts of retribution or retaliation or disciplinary action. Additionally, all employees must fully cooperate in any investigation of a suspected violation of this Code or with any request by the Compliance Officer. Any employee found to have violated this Code or to have engaged in other unlawful or unethical behavior shall be disciplined, including demotion or dismissal. Any employee who

fails to report known or suspected violations of this Code or other unlawful or unethical behavior shall be subject to appropriate disciplinary action up to and including termination.

#### ***V. Consequences for Violations***

Any violation of this Code is cause for disciplinary action that may result in one, all, or a combination of the following consequences:

- Reprimand.
- Loss of compensation, seniority, or promotional opportunities.
- Reduction in pay.
- Demotion.
- Suspension with or without pay.
- Discharge

#### ***VI. Corporate Compliance Officer***

The Compliance Officer is Mr. Peter Thurmond. He may be reached at:

Address: PO Box 607 Kingston Springs, TN 37082

E-Mail: [pthurmond@guiderail.com](mailto:pthurmond@guiderail.com)

Telephone: Office (615) 952-5501 Ext 122, Cell (615) 351-2454

***VII. Acknowledgment***

I acknowledge that I have received, reviewed and understand Guide Services' Code of Ethical Conduct. I agree to comply strictly with the Code and understand that I will be subject to disciplinary action if I violate the Code.

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(Signature)

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(Print Name)

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(Date)