



## Maclean Power Systems Conflict of Interest Policy

EFFECTIVE DATE: February 15, 2018

OWNER: Corporate Compliance

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POLICY NUMBER: MPS-LC2.01-P-20180215-CONFLICT OF INTEREST

### OUR STANDARD:

We must avoid circumstances that might cause personal or financial interests to conflict, or appear to conflict, with Maclean Power Systems business.

#### 1. PURPOSE

Maclean Power Systems ("the Company") is committed to operating in accordance with the highest ethical and professional standards. The long-term success of the Company depends on our ability to manufacture and deliver leading-edge products to our clients while being responsible corporate citizens. Accordingly, Maclean Power Systems will conduct business in a fashion that avoids potential, actual, and apparent conflicts of interest.

Conflicts of interest may arise when an employee's financial or personal interests potentially or actually interfere, or even appear to interfere, with an employee's business judgment. The purpose of the Conflict of Interest Policy ("Policy") is to explain the concepts, rules, and procedures relating to conflicts of interest that might arise during your employment at Maclean Power Systems. This Policy is intended to supplement Maclean Power Systems Code of Business Conduct and other applicable Company policies, as well as any federal or state laws that may govern conflicts of interest.

#### 2. SCOPE

This Policy applies to all officers, directors, employees, agents and third parties acting on Maclean Power Systems behalf.

#### 3. DEFINITIONS

As used in this Policy, the following definitions shall apply:

- **"Conflict of Interest"** shall mean any circumstance, potential, actual, or perceived, that might cause an employee to place their financial or personal interests above the interests of the Company, might cause that employee to be biased in their business judgments, decisions and actions, or might cast doubt on whether any decision was made purely on the basis of the Company's interests.

- **"Employee"** shall mean, solely for purposes of this Policy, any officer, employee, agent or third party contractor acting on behalf of the Company.
- **"Substantial Financial Interest"** shall mean any financial interest of an employee that might influence, or might reasonably be thought by others to influence, the employee's judgment or action in the conduct of the Company's business. Although any financial interest may qualify as a "Substantial Financial Interest," the term expressly includes ownership or the option to own more than three percent (3%) of any company that does business with Maclean Power Systems (e.g., a supplier or customer), or any loan from or to such a company.

#### 4. POLICY

This Policy explains Maclean Power Systems policies and prohibitions regarding certain conflicts of interest, discusses the most common situations in which conflicts of interest might arise, and establishes procedures whereby potential, actual, or perceived conflicts of interest will be disclosed, so that they might be resolved appropriately.

##### A. Prohibition

No Company officer shall have any position (e.g., employment, Board of Directors appointment, or work as a consultant or advisor) with, or a Substantial Financial Interest in, any other business enterprise, whether or not a possible conflict of interest might result from the position or interest, absent approval by the Chief Executive Officer, the Chief Financial Officer, and the Chief Compliance Officer.

No other employees shall have any position (e.g., employment, Board of Directors appointment, or work as a consultant or advisor) with, or a Substantial Financial Interest in, any other business enterprise which is a potential or actual business partner or competitor of Maclean Power Systems, absent approval by the office of the Chief Compliance Officer ("CCO"). Employees may seek reasonable outside employment with businesses unrelated to Maclean Power Systems (e.g., a part-time second job or small side business), but shall not accept any outside employment that might interfere with their time commitments to Maclean Power Systems.

Employees (other than directors) must disclose any outside position or Substantial Financial Interest that might violate, or be perceived as violating, this prohibition by submitting a *Conflict of Interest Disclosure form* to the Chief Compliance Officer. Refer to the Appendix for the Conflict of Interest Disclosure form.

## B. Potential Conflicts

A conflict of interest might arise in situations where the actions of an Employee involve: personal financial benefits resulting from transactions between the Company and persons, firms or business organizations; personal relationships; procurement of an opportunity for personal gain or advantage that is of interest to the Company; otherwise obtaining a personal financial gain or advantage resulting from inside information relating to the Company's business; the acceptance of a gift or gratuity; or additional potential sources of conflict.

In consideration of these potential conflicts, Maclean Power Systems requires employees to observe the following:

i. Financial Benefits

(a) Personal Financial Benefits: Employees are required to disclose any Substantial Financial Interest, or position such as director, officer, employee, or consultant that either the employee or an associate (e.g., spouse or relative) has in any enterprise that partakes in business relations or dealings with the Company.

Whenever an employee is involved in a Maclean Power Systems business transaction that might cause, or be perceived as causing, a financial benefit to the employee or their associate, that employee must disclose the transaction to the CCO immediately upon identifying the potential conflict. The CCO must then grant written approval in order for the transaction to continue.

(b) Benefits to Relatives: Whenever an employee is involved in a Maclean Power Systems business transaction that might cause, or be perceived as causing, a benefit to a relative of the employee, that employee must disclose the transaction to the CCO immediately upon identifying the potential conflict. The CCO must then grant written approval in order for the transaction to continue.

ii. Personal Relationships: Each employee shall refrain from engaging in decisions in which the employee has a personal relationship that might cause, or appear to cause, that employee to act with bias or against the best interest of the Company. For instance, a personal conflict of interest might occur when an employee participates in any employment or promotion decision involving an associate (e.g., their spouse or relative) or person with whom the employee has, or has had, an intimate relationship. A personal conflict of interest also might arise when an employee is

in a supervisory role over, or supervised by, an associate or person with whom the employee has, or has had, an intimate relationship. A conflict may also occur when an employee is involved in the process of awarding Company business, or approving corporate expenditures, to a friend or family member. Employees must consult the CCO for guidance when these situations arise.

- iii. *Corporate Opportunities*: Each employee shall refrain from seeking to take advantage of a corporate business opportunity or enable another person to take advantage of the opportunity when they know, or should reasonably know, that the opportunity would be of interest to the Company. For the purposes of this Policy, a business opportunity is one presented to an employee that: (1) is within Maclean Power Systems line of business; (2) Maclean Power Systems has an interest in or reasonable expectation of pursuing; and (3) the offer should reasonably belong to the Company.
- iv. *Inside Information*: Inside information is any information obtained by an employee through their employment with the Company that is not available to the public (*e.g.*, internal sales data or proprietary technical information). Each employee shall refrain from using inside information for their personal benefit or in a manner that might cause, or appear to cause, a detriment to the Company. Each employee shall also refrain from transmitting any inside information to any person other than in connection with their official Company responsibilities.
- v. *Gratuities*: Each employee and their associates shall refrain from accepting payments, gifts, entertainment or other favors that go beyond the common courtesy usually associated with business practice, and might thereby be regarded as placing themselves under some obligation to a third party dealing or desiring to deal with the Company. In general, this policy permits Maclean Power Systems employees to accept inexpensive and reasonable gifts, travel, and entertainment from Maclean Power Systems partners (*e.g.*, gifts valued under \$250.00 with manager approval). Maclean Power Systems employees are strictly prohibited from accepting cash or cash equivalents and from soliciting gratuities in exchange for steering or directing business to another company.
- vi. *Additional Areas of Concern*: It is possible that other circumstances not discussed in this Policy might cause, or appear to cause, a conflict of interest. These situations might include those where an

employee or associate acts to gain an improper advantage, or those that might cause, or appear to cause, a negative effect on Maclean Power Systems interests. When an employee has questions about whether a situation might cause a conflict of interest, they should consult with the CCO.

### **C. Duty to Disclose**

If at any time an employee finds that they or an associate has entered into an arrangement that might cause, or appear to cause, a conflict of interest, or if the employee is in doubt as to the proper application of this Policy, they should promptly make all the facts known to the CCO, and refrain from any function that might reasonably be considered to be affected by such adverse interest. Employees shall disclose conflicts by completing Maclean Power Systems *Conflict of Interest Disclosure* form.

#### **1. Determining Whether a Conflict of Interest Exists**

Upon receiving an employee disclosure, the CCO shall consider each report submitted, determine whether the facts give rise to a conflict of interest that is contrary to this Policy, and recommend action, if necessary. If the CCO has reasonable cause to believe an employee has failed to disclose an actual or possible conflict of interest, the CCO shall inform the employee of the basis for such belief and afford the employee an opportunity to explain the alleged failure to disclose. If, after hearing the employee's response and after making further investigation as warranted by the circumstances, the CCO determines the employee has failed to disclose a possible conflict of interest, appropriate disciplinary and corrective action, up to and including termination, may be taken.

Upon being hired or retained to perform work on behalf of Maclean Power Systems, employees must successfully complete the Company's Conflict of Interest Training. Each year thereafter, every employee is required to re-certify that no potential conflict of interest exists by successfully completing Conflict of Interest Training.

### **5. CONSEQUENCES**

Failure to follow this Policy may result in disciplinary action, up to and including termination. If any employee is involved in or witnesses any violations of this Policy, the employee should report it immediately (via Maclean Power Systems Ethics and Compliance Helpline or to the employee's manager). Maclean Power Systems employees who report violations of this Policy will not suffer any negative consequences per our Whistleblower and Non-Retaliation Policy.

## Appendix 1: Conflict of Interest Disclosure

### Conflict of Interest Disclosure

Name: \_\_\_\_\_ Business Unit:  MPS  
Job Title: \_\_\_\_\_ Work Location: \_\_\_\_\_  
Email: \_\_\_\_\_ Phone: \_\_\_\_\_

#### 1. OUTSIDE EMPLOYMENT OR SERVICE:

Do you have any outside employment or provision of outside services, current or planned, which may pose an actual, potential, or apparent conflict of interest, as defined in the Conflict of Interest Policy and Code of Business Conduct?  Yes  No

If yes, please explain.

#### 2. OUTSIDE INTERESTS, FINANCIAL AND OTHER:

Do you have any interests or positions which you or your family, directly or indirectly, hold in any outside enterprise from which Maclean Power Systems secures, or will secure goods or services, or that provides services competitive with the company?  Yes  No

If yes, please explain.

#### 3. GIFTS, GRATUITIES, SERVICES AND ENTERTAINMENT:

Have you accepted or given any gifts, gratuities, services or entertainment which have a cumulative market value of \$250.00 or more in one fiscal year or an individual market value of \$250.00 or more that you or your family have accepted that might be reasonably regarded as influencing or having the potential of influencing your judgment or actions concerning business of the company?  Yes  No

If yes, please explain.

**4. FAMILY OR BUSINESS RELATIONSHIP CONFLICTS:**

Do you have any family or business relationships with trustees, officers, key employees and/or any other employee of the company?  Yes  No

If yes, please explain.

**5. OTHER:**

Are there any other activities in which you or your family are engaged that might be regarded as actual, potential, or apparent conflict of interests, as defined in the Conflict of Interest Policy and Code of Business Conduct?  Yes  No

If yes, please explain.