



SERRA MANUFACTURING
CORPORATION
EMPLOYEE CODE OF
ETHICS AND CONDUCT

Serra Manufacturing Corporation's Employee Code of Ethics and Conduct

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Serra Manufacturing Corporation's Employee Code of Ethics and Conduct

I. INTRODUCTION

This Employee Code of Ethics and Conduct ("Code") details Serra Manufacturing Corporation's policies for employees and reinforces conduct that is based on our guiding core values: **Accountability, Appreciation, Collaboration and Respect**. Serra Manufacturing Corporation's is committed to a quality business and reputation that values all core values equally, and a strong commitment to the highest ethical standards. These principles apply to employee interactions with customers, coworkers, suppliers, government and regulatory agencies and the general public. This Code applies to Serra Manufacturing Corporation's Board of Directors, [collectively "employees"]. Serra Manufacturing Corporation's employees must be familiar with this Code and adhere to its guidelines.

This Code is not a comprehensive guide of all ethical issues that employees may face, but merely highlights specific problems. In dealing with ethical problems not detailed in this Code, employees are expected to use common sense and their best moral judgment. Any questions may be directed to the CEO. This policy may be modified or updated at any time. Serra Manufacturing Corporation welcomes employee suggestions on changes in this Code.

II. COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS

Serra Manufacturing Corporation's has a policy to observe all laws, rules, and regulations of government agencies and authorities. This specifically includes requirements under **ITAR** (International Traffic in Arms Regulations) and the **EAR** (Export Administration Regulations). Serra Manufacturing Corporation also adheres to all Environmental laws and regulations and Anti-Terrorism regulations, policies and procedures. If federal, state or local law exists that is either contradictory or stricter than this policy, employees must apply the law.

III. CONFLICTS OF INTEREST

Serra Manufacturing Corporation's employees must avoid having a personal, business, financial, or other interest, activity or relationship, outside Serra Manufacturing Corporation that has or may be in conflict with Serra Manufacturing, its customers or suppliers. Any material transaction or relationship that may give rise to an actual or perceived conflict of interest should be discussed with the CEO.

Conflicts of interest may include, but are not limited to, the following situations:

- Outside Employment- employees should not perform work or render direct consulting or managerial services for an organization that competes or does business with Serra Manufacturing Corporation without appropriate approval from management.
- Managers or supervisors may not engage in a sexual, romantic, or dating relationship with subordinate employees, if it becomes a distraction and/or disrupts the work environment.
- Accepting without prior approval loans or gifts of entertainment, food, or cash of any value from vendors/suppliers or customers, subordinate employees, regulatory or any outside concern that does or seeks to do business with or is a competitor to Serra Manufacturing Corporation.
- Obtaining a personal financial benefit in any sale or loan of company property.

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- Using or disclosing any confidential information gained during employment for an employee's personal benefit or the benefit of others, including a future employer.

IV. EMPLOYMENT PRACTICES

For a comprehensive description of Employment Practices, please refer to the Employment Personnel Manual.

Discrimination and Harassment

- Serra Manufacturing Corporation prohibits discrimination and harassment of co-workers, suppliers, or customers whether or not the incidents occur on Serra Manufacturing Corporation premises and whether or not the incidents occur during business hours.
- Serra Manufacturing Corporation follows federal, state, and local law to ensure equal recruitment, employment, compensation, development and advancement opportunity for all qualified individuals, and prohibits deliberate harassment based on federally protected categories of race, color, religion, sex, national origin, age, or disability.

Workplace Violence- Serra Manufacturing Corporation does not tolerate workplace violence including threats, threatening behavior, harassment, intimidation, assaults or similar conduct.

Weapons Policy- Serra Manufacturing Corporation employees may not carry firearms or other weapons on Serra Manufacturing Corporation premises.

Illegal Drugs and Alcohol Policy – Serra Manufacturing Corporation employees must not distribute, possess or use illegal or unauthorized drugs or alcohol on Serra Manufacturing Corporation property, or in connection with Serra Manufacturing Corporation business.

V. BOOKS AND RECORDS

Accurate and Complete Business Records - Employees must act in good faith not to misrepresent material facts in Serra Manufacturing Corporation's books and records or in any internal or external correspondence, memoranda, or communication of any type, including telephone or electronic communications.

Financial Reporting- All Serra Manufacturing Corporation's funds, assets, liabilities and receipts must be recorded in accordance with generally acceptable accounting procedures. There cannot be any "off the books" accounts.

Proper Maintenance of Records- Serra Manufacturing Corporation's maintains documents in accordance with all applicable laws and regulations. If Serra Manufacturing Corporation employees receive a subpoena, a request for records or other legal papers or if we have reason to believe that such a request or demand is likely, the law requires Serra Manufacturing Corporation to retain all relevant records and contact the CEO.

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Cooperation with Auditors- Serra Manufacturing Corporation's employees must cooperate fully with internal and outside auditors during examination of Serra Manufacturing Corporation's books, records, and operations.

VI. MARKETING

Business Communications- Employees must not make public statements regarding issues or matters of Serra Manufacturing Corporation about which they are not authorized spokespersons.

Advertising and Marketing- Serra Manufacturing Corporation's policy takes necessary steps to assure that all advertised products or services in any of its literature, exhibits or other public statements is true, supported by documentation, and does not mislead customers.

VII. USE OF COMPANY RESOURCES

For a comprehensive description of Serra Manufacturing Corporation's policy on use of company resources, please see the Employment Personnel Manual.

Internet and Electronic Mail Policy

- Unless given permission, employees may use Internet and send and receive electronic mail solely for business purposes.
- Serra Manufacturing Corporation electronic mail system is a company resource, and Serra Manufacturing Corporation reserves the right to read, view and copy any email communications.
- Employees must take reasonable care not to disclose confidential information, or acquire unauthorized information over the Internet.

Equipment and Supplies- All equipment and supplies purchased by Serra Manufacturing Corporation remain Serra Manufacturing Corporation property, including but not limited to office supplies, office furniture, fax machines, computers, software, hardware, supplies and equipment, and may not be used by Serra Manufacturing Corporation employees for personal reasons.

Political Activity- Serra Manufacturing Corporation encourages employees to participate in the political process on their own time. Employees may not use Serra Manufacturing Corporation's resources, reputation or assets to support a political candidate.

Non-work Related Interests- Serra Manufacturing Corporation employees may not use Serra Manufacturing Corporation facilities to promote non- Serra Manufacturing Corporation or non-work related interests of the employee or of third parties without prior consent of their supervisor.

Proper Use of Organizational Assets- Serra Manufacturing Corporation employees may only use, transfer, or dispose of funds or assets for the lawful and legitimate business purposes for which they were approved by Serra Manufacturing Corporation's Chief Executive Officer.

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VIII. PRIVACY AND CONFIDENTIALITY

Confidential Information- Serra Manufacturing employees must exercise care to avoid disclosing non-public, internal, secret, or proprietary information, which is related to Serra Manufacturing Corporation or its customers or suppliers to unauthorized persons, either within or outside the organization during employment or afterwards, except as such disclosure is legally mandated or approved by Serra Manufacturing Corporation.

Employee Access to Confidential Information- Only Serra Manufacturing Corporation employees that truly need to know confidential information to conduct their business have access to confidential information and must take necessary steps to keep this information private and confidential.

Confidential Information of Employees- Employment and medical records of Serra Manufacturing Corporation employees are confidential and private. Medical Records may only be disclosed if the employee provides a written release or required by applicable law.

Financial Information of Current and Former Customers must be protected as required by privacy laws and regulations.

Requirements under The Privacy Act of 1974, which establishes a Code of Fair Information Practice that governs the collection, maintenance, use, and dissemination of personally identifiable information about individuals that is maintained in systems of records by federal agencies. A system of records is a group of records under the control of an agency from which information is retrieved by the name of the individual or by some identifier assigned to the individual. The Privacy Act requires that Serra Manufacturing Corporation give their employees, customers, and suppliers notice of their systems of records by publication in the Federal Register. The Privacy Act prohibits the disclosure of information from a system of records absent the written consent of the employee, customer, and supplier, unless the disclosure is pursuant to one of twelve statutory exceptions as stated in The Privacy Act of 1974 law title 5 section 552a effective December 31, 1974.

IX. RESOURCES:

- a. Contact Information
 - i. Human Resources department
 - ii. Chief Executive Officer (CEO)
 - iii. 24 hour employee hotline
 - iv. Outside Counsel

X. COMPLIANCE WITH THE CODE

All Serra Manufacturing Corporation's employees must know this Code and adhere to its guidelines. If questions arise please contact the CEO.

Supervisors and Managers- Supervisors and Managers must take reasonable care to assure that subordinate employees are complying with these guidelines. Supervisors and Managers are responsible for misconduct by employees if the supervisor orders misconduct; ratifies the conduct, even by

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inaction; the supervisor has direct authority and knows of the conduct but fails to act appropriately; or should have known with reasonable diligence that the actions occurred.

XI. REPORTING ACTUAL OR SUSPECTED VIOLATIONS OF THE CODE

Requirement to Report Actual or Suspected Violations of the Code: Employees must report any actual or suspected violations of this Code to their Supervisor or the CEO. Failure to report any actual or suspected violations of the Code is in itself a violation of this Code.

Non-Retaliation Policy: Employees will not be retaliated against or subject to any form of reprisal for raising a good faith concern under this policy or participating in an investigation into any such concerns. Retaliation is a serious violation of this Code and should be reported immediately.

Investigation of Alleged Violations of the Code: All inquiries, complaints, and reports will be promptly investigated. Employees are expected to cooperate in the investigation. Reasonable measures will be taken to preserve confidentiality of the claim and the identity of anyone who reports a suspected violation or participated in the investigation. If you are unsure whether a violation has occurred, Serra Manufacturing encourages you to seek advice from the CEO before acting.

A toll free 24 hour hotline has been established by the CEO. This is an outside company not Serra Manufacturing Corporation that takes your confidential call and reports the reason for your call to the CEO in a report without using your name. If you have any questions or concerns, you may call the employee anonymous hotline 7 days a week, 24 hours a day.

- **Toll-Free Telephone:**
 - English speaking USA and Canada: 844-280-0005
 - Spanish speaking USA and Canada: 800-216-1288
- **Website:** www.lighthouse-services.com/serramfg
- **E-mail:** reports@lighthouse-services.com (must include company name with report)
- **Fax:** (215) 689-3885 (must include company name with report)

XII. ZERO-TOLERANCE POLICY TOWARD VIOLATIONS OF THE CODE

Serra Manufacturing Corporation takes a zero-tolerance approach to violations of this Code, failure to report actual or suspected violations of the Code, or retaliation against whistleblowers. Employees that are found to have violated this Code or retaliated against whistleblowers will have their employment with Serra Manufacturing Corporation terminated.

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ACKNOWLEDGEMENT FORM FOR CODE OF CONDUCT AND ETHICS

I have read and am familiar with Serra Manufacturing Corporation's Employee Code of Ethics and Conduct. I will comply with and enforce the policies in this Code in its entirety.

I understand my responsibility to promptly report any incident of misconduct or perceived misconduct that I may experience or witness. I further understand that Serra Manufacturing Corporation takes a zero-tolerance approach to violations of this Code, and that violations of the Code or retaliation against whistleblowers will result in termination of employment.

By signing this acknowledgement I am indicating that I have read and will abide by Serra Manufacturing Corporation's Employee Code of Ethics and Conduct.

Employee Signature

Kris Hernandez CEO

Employee name (printed)

Date

Date