



Business Code of Conduct and Ethics

I. Purpose/Scope of the Policy

Stacy's is committed to maintaining high standards for performance based on fair, ethical and professional business practices. This policy describes the conduct and ethics required of all employees who participate in the purchasing process, and addresses issues including authorization for purchases, unauthorized purchases, employee-vendor relationships, conflict of interest, personal purchases, and acceptances of gratuities by employees, and relationships with vendors.

Stacy's also requires ethical conduct from those who do business with Stacy's. Contracts will contain a clause stating that any effort to influence an employee to violate the standards of the Code is grounds to void the contract. Vendors are required to certify that they will not attempt to influence any employee to violate the code.

II. Definitions

The following definitions are included for clarity in this policy:

Unauthorized Purchases: a purchase for which (1) the individual has not been delegated the authority to make a purchase. (2) The proper purchasing procedures have not been followed.

Near Relative: Spouse, child, parent, brother, sister, grandparent, grandchild, or in-laws and step- relatives in the same relationship.

Beneficial ownership of more than 5% of a vendor is considered a conflict of interest unless disclosed and approved by the President of Stacy's, Inc.

III. Detailed Policy Statement

Violation of Policy

Employees who violate this policy may be subject to disciplinary actions.

Authorization

The Purchasing Manager is delegated the responsibility of procuring all material, supplies, equipment and services. Purchasing authority can be delegated by the Purchasing Manager to authorized individuals under specific circumstances, such as blankets orders, assigned purchase Orders and Purchase Card transactions. Purchases may only be made by employees who have received authorization from the Purchasing manager.

Employee –Vendors Relationship

Purchases, lease of goods, or contracts for services shall not be made from any employee or near relative who has an employee-vendor relationship unless there has been a specific determination by the Purchasing Manager that the goods or services are not available either from other commercial sources.

Conflict Of Interest

No employee of Stacy's shall make, participate in, or attempt to influence any decision if the employee knows or has reason to know that he/she has a more than 5% beneficial financial interest in the outcome of that decision.

Personal Purchases

Employees shall not use Stacy's credit, purchasing power, or facilities to make purchases of goods or services for themselves or for non-company activities.

Gratuities

Employees shall refrain from accepting gifts, entertainment, favors or services from present or potential suppliers to the Company that might influence, or appear to influence, purchasing decisions. Employees may accept trivial items as a matter of courtesy, but not solicit them.

Vendor Relationships

In carrying out their purchasing responsibilities, Stacy's Personnel shall:

- a. Know and observe fair, ethical, and legal trade practices and remain alert to the legal ramifications of purchasing decisions.
- b. Encourage competition through open, equitable and fair practices.
- c. Conduct business with potential and current suppliers openly, fairly, equitably, and in an atmosphere of good faith.
- d. Avoid the intent and appearance of unethical or compromising practices.
- e. Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.

Having read and understood this agreement, I have willingly and voluntarily executed and unconditionally delivered this agreement to Stacy's, Inc. on _____.

Name (print) _____ Signature _____