

# CODE OF BUSINESS CONDUCT



**One Sterling – Our Foundation**

## ***Our Core Values***

- ❖ Safety
  - ❖ Respect and Trust
  - ❖ Excellence
  - ❖ Integrity
- 

## ***Ask Yourself Before Acting***

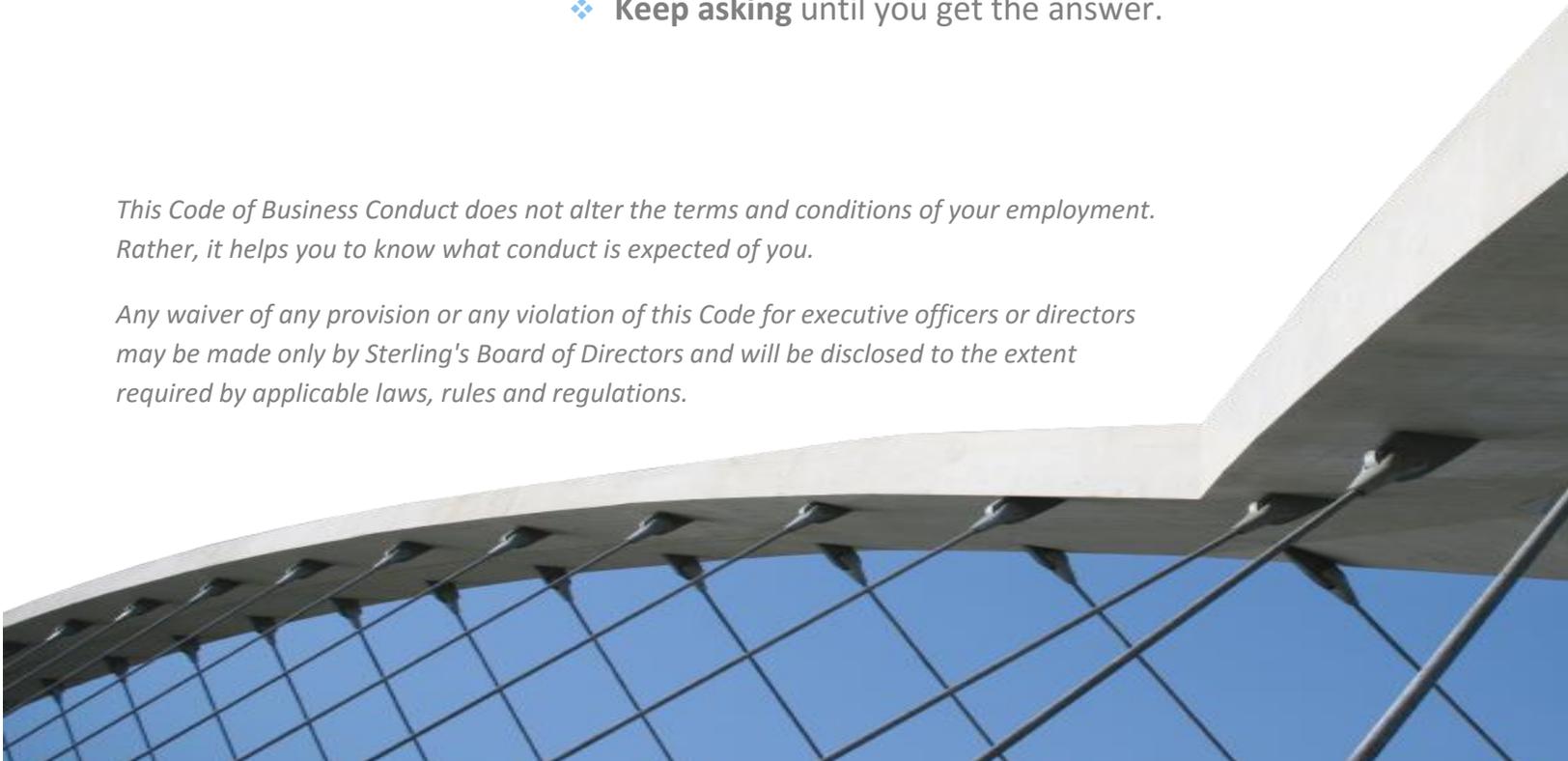
- ❖ Is it legal?
  - ❖ Is it the right thing to do?
  - ❖ How would it look to those outside the Company?
- 

## ***Remember These Rules***

- ❖ **Know** the standards that apply to your job.
- ❖ **Follow** these standards – always.
- ❖ **Ask** if you are ever unsure what the right thing to do is.
- ❖ **Keep asking** until you get the answer.

*This Code of Business Conduct does not alter the terms and conditions of your employment. Rather, it helps you to know what conduct is expected of you.*

*Any waiver of any provision or any violation of this Code for executive officers or directors may be made only by Sterling's Board of Directors and will be disclosed to the extent required by applicable laws, rules and regulations.*



# Table of Contents

<b>Leadership Message</b> .....	3
<b>Getting Started</b> .....	4
What is the purpose of this Code? .....	4
Who must follow this Code? .....	4
What are my responsibilities? .....	4
What role do managers and supervisors have? .....	5
What are the consequences for violating the code? .....	5
Your Duty to Speak Up .....	5
Who is authorized to waive any of the provisions of this Code? .....	6
<b>How We Treat Each Other</b> .....	7
Our Goal .....	7
Equality and Diversity .....	7
Using EEO Officers where available. ....	7
Harassment-Free Work Environment; Mutual Respect and Dignity .....	8
Employee Privacy and Confidentiality .....	8
<b>Conducting Sterling Business</b> .....	10
Our Goal .....	10
Quality .....	10
Health and Safety .....	11
Fair Competition .....	12
Conflicts of Interest .....	13
Trade Secrets and Confidential Information .....	14
Corporate Opportunities .....	15
Gifts and Entertainment .....	16
Working with Suppliers and Subcontractors .....	17
Government Procurement and Contract Compliance .....	18
Avoiding Improper Payments .....	20
<b>Sterling's Responsibilities as a Public Company</b> .....	21
Accurate Financial Reporting .....	21
Insider Trading .....	22
Records Management .....	23
Use of Social Media .....	24
<b>Sterling's Relationships with Society</b> .....	26
Our Goal .....	26
Environmental Stewardship .....	26
Political Involvement .....	28
Government, Media and Community Relations .....	28
<b>Asking Questions and Raising Concerns</b> .....	30
How to Spot Ethical Dilemmas .....	30
Your Duty to Speak Up .....	30
Where to Go for Help .....	30
The Sterling Helpline .....	31
Can I Report Anonymously? .....	31
Confidentiality .....	32
Responsiveness .....	32
Retaliation Will Not be Tolerated .....	32
Raising Concerns Appropriately .....	33
Your Acknowledgement and Certification .....	34



## Leadership Message

Dear Colleagues:

At Sterling, we are committed to building and restoring the infrastructure that enables our economy to run, our people to move, and our country to grow. In support of that mission, each and every day our employees face challenges that require decisions to be made. Sometimes these decisions are easy, sometimes they are tough, but the one thing they can never be is contrary to our values.

Working in compliance with the highest ethics and integrity standards, as well as with our legal obligations are the foundation of what we do and they can never be compromised.

To establish those standards and values, Sterling has developed a Code of Business Conduct. The Code not only describes the values and standards by which we conduct business, company-wide, but also supports and guides you through your daily activities and interactions, and enables you to perform your job at the highest level. It is the responsibility of every employee to ensure that we operate within the Code and never deviate from it.

No single code of conduct can cover every business situation that you will encounter. Consequently, we have implemented compliance guidelines outlined in the various sections of the Code, including a section on “Asking Questions and Raising Concerns.” The thrust of these guidelines is ***when in doubt, ask***. If for any reason you have a question or concern, you should contact your supervisor, Human Resources, or the Chief Compliance Officer.

The Sterling senior leadership team is committed to ensuring that our Company has a workplace culture, and a reputation, of integrity. The Code of Business Conduct is our key compliance tool, and as such, it is important that you read the Code, that you understand the Code and that every day you work in compliance with the Code.

Thank you for your commitment and support.

Joe Cutillo  
Chief Executive Officer



## Getting Started

### *What is the purpose of this Code?*

Sterling is committed to conducting business in accordance with the letter and spirit of the law and the high standards of ethical business conduct reflected in Company policies.

In today's climate, the standards and expectations for responsible business conduct are more demanding than ever. That is where this Code of Business Conduct comes in.

The Code is a resource to help each of us:

- Understand and apply the key compliance and integrity rules that apply to our jobs
- Know where we can go for guidance if we are ever unclear about the right course of action.

### *Who must follow this Code?*

This Code of Business Conduct applies to everybody at Sterling, regardless of title or tenure. This includes members of our Board of Directors, and the officers and employees of Sterling Construction Company and its subsidiaries. References to “Sterling” or the “Company” are to the publicly traded parent company, Sterling Construction Company, Inc., and to each of its subsidiaries.

As you read through this Code, we refer to “his/her” “him/her,” “he/she” and so forth. Please assume that in all cases these terms include “employee” or “employees,” and mean “you.”

The standards set out in this Code also apply to Sterling's business partners including owners, joint venture partners, suppliers, subcontractors, and all other parties acting as representatives or agents of Sterling.

### *What are my responsibilities?*

By working for Sterling, you are agreeing to comply with all laws, rules, regulations and Sterling policies that apply to your work, including complying with the standards and spirit of this Code. You are responsible for becoming familiar with and following the standards that apply to your job. You are also responsible for seeking advice when needed, raising concerns when they arise, and reporting violations or potential violations of this Code to management if you become aware of them.

You will be asked to certify your commitment to comply with the standards of conduct contained in this Code by completing the pledge and certification located at the end of this Code.

You may also be required to undertake training from time to time about this Code and other Sterling policies.

### ***What role do managers and supervisors have?***

If you manage or supervise others you must always:

- Set an example by showing how to act with integrity, and by using and referring to this Code as a Company resource
- Ensure that those who report to you have the knowledge and resources to follow this Code's standards
- Monitor compliance of those you supervise
- Enforce this Code fairly and consistently
- Support and respond appropriately to those who raise questions or concerns about compliance and integrity matters in good faith.

### ***What are the consequences for violating the code?***

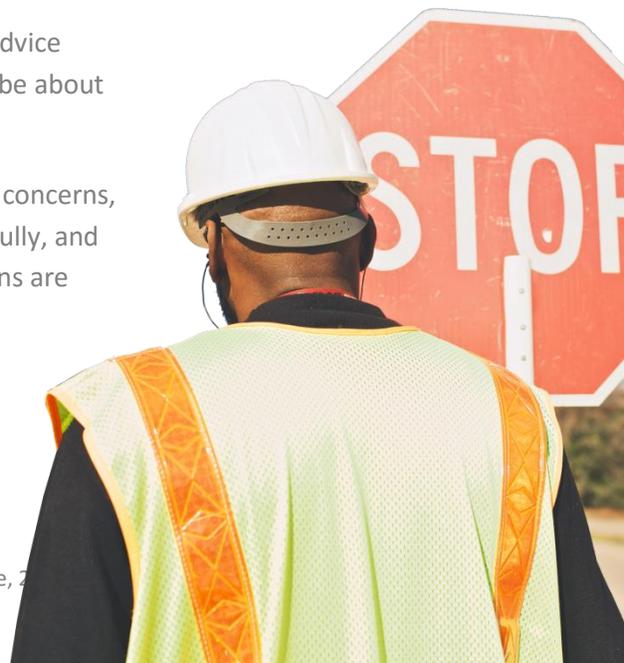
If you violate our Code or its underlying policies, you will be subject to disciplinary action up to and including termination of your employment. Moreover, in cases when laws are broken, you may also expose yourself to criminal prosecution, fines and imprisonment. The Company can also be held liable for illegal acts committed by employees, which could result in major fines, debarment from government contracting, rating downgrades, securities de-listing and/or cessation of operations. In short, Code violations are serious, and must not occur.

### ***Your Duty to Speak Up***

You must speak up if:

- You are ever unsure about the proper course of action and need advice
- You believe that someone acting on behalf of Sterling is doing or may be about to do something that violates the law or the standards of this Code.

At the end of this Code there is a section that describes how you can raise concerns, ask questions, or report violations of law or this Code. Please read it carefully, and remember employees who, in good faith, raise concerns or report violations are not “tattletales” — they are protecting the interests of Sterling and your fellow employees.



## ***Who is authorized to waive any of the provisions of this Code?***

Any waiver of this Code for officers or directors may be made only by Sterling's Board of Directors. Waivers of this Code for others may be granted only by the Company's Ethics and Compliance Committee.





## How We Treat Each Other

### *Our Goal*

Our goal is to maintain a diversified workforce in which all employees have the opportunity to reach their full potential, and in which everyone treats everyone else with fairness, dignity and respect.

### *Equality and Diversity*

Sterling is committed to building a work environment based on principles of equality and diversity, and complying with all applicable laws and regulations wherever we operate. The Company recognizes that the needs of employees vary considerably as do the needs of our diverse businesses, so we support a collaborative work place culture and will endeavor to maintain a work environment free of illegal or unethical discriminatory practices of any kind.

*To reinforce or commitment to equality and diversity, employees must:*

- Treat everyone equally regardless of gender, sexual orientation, transgender status, marital status, disability, religion, culture, racial origin, political preference, trade union affiliation, veteran status, pregnancy, age, or any other individual attribute protected by law
- Report any inappropriate practice in the workplace to their manager/supervisor or an Equal Employment Opportunity (EEO) Contact Officer.



### *Using EEO Officers where available*

In some of our operations, EEO Officers are a point of contact for those who may have a perceived issue related to unlawful discrimination, harassment, bullying or victimization. These officers help the aggrieved individual by providing options and processes for dealing with the issue, guided by equality and diversity policies and processes.

### **Additional Resources**

- Sterling's Equal Opportunity Policy

## ***Harassment-Free Work Environment; Mutual Respect and Dignity***

Mutual respect and dignity should form the basis of your interactions with colleagues, and you should guard against any form of behavior that compromises trust, the quality of the work environment, or the integrity of decision making. Sterling prohibits behavior of any kind that harasses, disrupts, or interferes with an employee's work performance or in any way creates or contributes to an intimidating, hostile, or offensive work environment.

This means you must:

- Never engage in any form of direct or indirect harassment of other employees and customers, suppliers and other business partners, at work and work-related functions
- Work through disagreements and conflicts in a civil and respectful manner
- Maintain a professional working atmosphere
- Report any form of harassment in the workplace to your supervisor/manager or an EEO Officer or Human Resources Representative.

### **Additional Resources**

- Sterling's Anti-Harassment Policy

## ***Employee Privacy and Confidentiality***

Sterling respects the privacy of the personal data of our employees in our possession and takes data protection seriously. This means that access to personal records must be limited to Company personnel who have appropriate authorization and a clear business need for that information.

If you have access to personal information, you must:

- Collect, process and use employee personal data for legitimate business purposes only
- Use anonymous, partial or replacement data wherever practical (such as using Company-issued identification numbers in place of government-issued personal identification numbers)
- Use encrypted files and security devices to store and transmit private information in order to prevent its unauthorized access

You should not regard personal information or electronic communications that you store on Company-owned computers or other electronic media such as hand-held devices as private. Records of your electronic communications may be made and used for a variety of reasons, and may be subject to monitoring or auditing at any time and without notice to you. Keep this in mind and exercise care when you use Company electronic media.

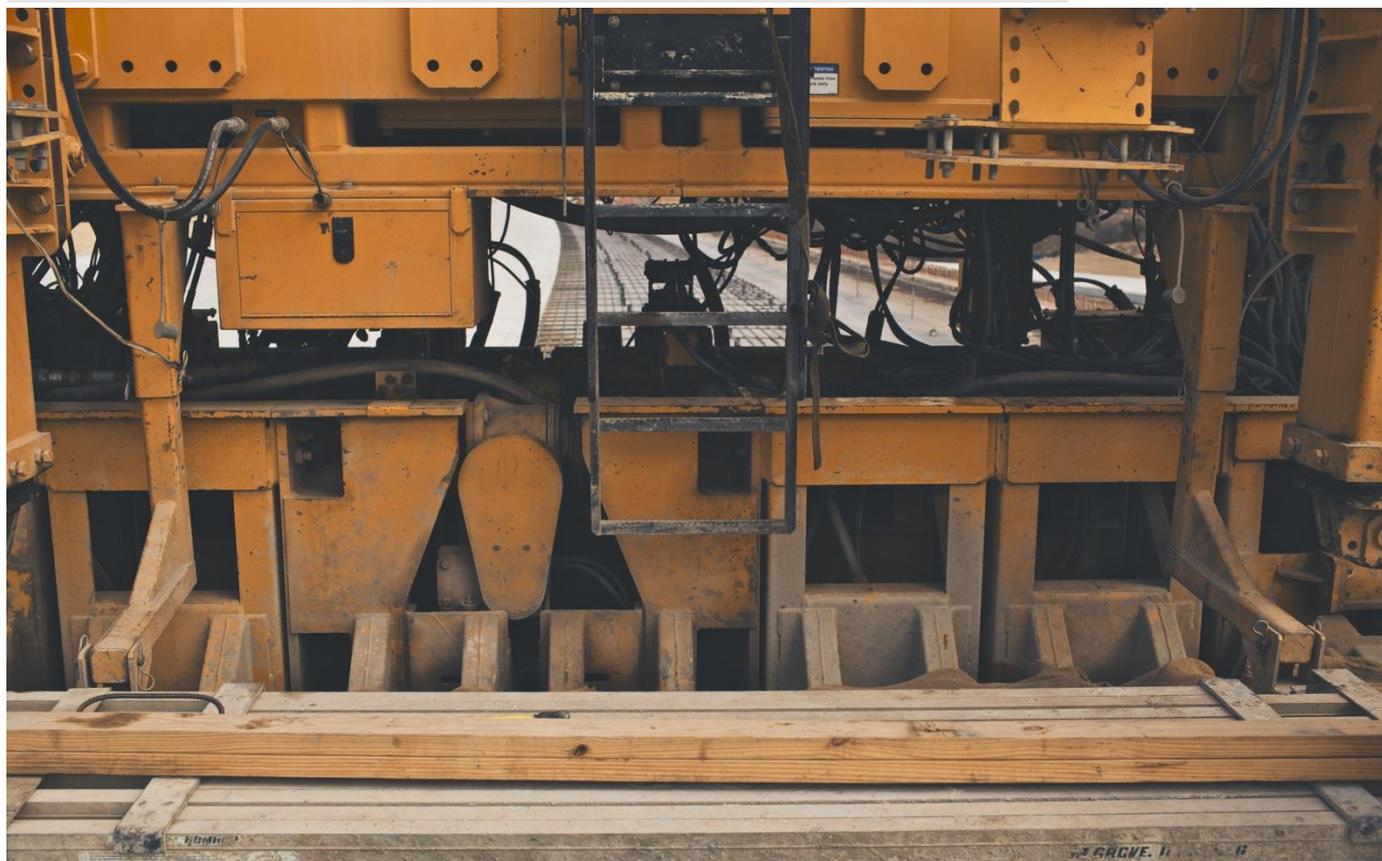
## Additional Resources

- Sterling's IT Solutions - User Access and Use Policy

## Q&A

**Question:** We have a young woman on our team who is a great worker, but most everyone else is male and some of the guys make sexual comments whenever she's around. She appears to be uncomfortable with this, which is bad for teamwork. What should I do?

**Answer:** The conduct you describe appears to be creating an unhealthy work environment, and is unacceptable. Consistent with this Code of Conduct, you should raise your concerns with human resources personnel, who are trained to deal with such problems; or you can use the Sterling Helpline, but whatever option you choose, you owe it to the young woman and to the Company to do something about it.





## Conducting Sterling Business

### ***Our Goal***

In all our business dealings, Sterling strives to be honest and fair. We will compete vigorously, but fairly and in compliance with all laws protecting the integrity of the marketplace and the health and safety of our employees. To help ensure success, we must avoid conflicts of interest.

### ***Quality***

We want to be our customers' best contractor. We must remember that goal at every phase of our relationship with customers — from the design of our projects to the discussions we may have with them about progress and service issues. We must be customer-focused in everything we do.

This means you must:

- Complete work in a way that meets agreed-upon specifications
- Comply with professional and industry codes and standards in performing work
- Use parts, equipment and labor called for by the contract
- Take ownership of your own concerns and air them sooner rather than later
- Remember that the Sterling name stands behind every job we do, even long after the job is complete.



## Q&A

**Question:** A superintendent has told us to skip a required quality control procedure so that we can get a project back on schedule. I think this poses a significant quality risk, but he is the boss. Should I just follow orders and ignore this?

**Answer:** No! If you think that the superintendent is compromising our standards and you do not feel comfortable talking with your supervisor directly about it, contact your supervisor's supervisor, your Project Manager, any other Company manager, or call the Sterling Helpline.

### Health and Safety

Sterling is committed to protecting the health and safety of each employee. Occupational injuries and illnesses are preventable. No activity is so important that it cannot be done safely, and there will be no compromise of an individual's well-being in anything we do.

This means you must:

- Be an active participant in the safety program by following all applicable safety laws, rules, regulations and policies at all times, and encourage those around you to do the same
- Wear required personal protective equipment
- Immediately stop any work or behaviors that is potentially unsafe
- Not consume alcohol while at work, unless at work-related functions where consuming alcohol is authorized
- Report for work in a fit state: not impaired by alcohol, or legal or illegal drugs
- Only undertake work for which are you trained, competent, medically fit and sufficiently rested and alert to carry out
- Promptly notify local management of any accident, injury, illness, unsafe condition, close calls, or threat of violence
- Ask questions if you do not understand the hazards associated with the task being performed.



### Additional Resources

- Sterling's Health, Safety and Environmental Policy

## Q&A

**Question:** Will I be penalized if I stop work because I have concerns about safety?

**Answer:** No. Sterling is committed to providing a safe place of work for everyone. That includes stopping work if you ever have concerns. Remember, it's always better to be safe than sorry. Also keep in mind that Sterling prohibits retaliation against anyone who raises any compliance concern in good faith, including a safety concern.

If you are unable to discuss safety concerns with your local managers, please use the Sterling Helpline.

### **Fair Competition**

Our goal is to outperform our competition – fair and square. With a sound business strategy and a talented work force, we need not and will not resort to unfair or dishonest means to win in the marketplace. We must strictly comply with antitrust laws, which generally prohibit anti-competitive agreements, such as agreeing with competitors to fix prices or divide markets, and other collusive conduct that undermines fair and open markets.

This means you must:

- Compete on the merits of our products and services and make no attempts to restrain or limit competition
- Keep a professional distance and not engage in improper arrangements, side deals, or informal agreements with competitors
- Hold information about Sterling (such as bid prices and costs), as well as its customers and suppliers, in the strictest confidence and avoid any situation in which that information could fall into the hands of a competitor. (refer to the Trade Secrets and Confidential Information section of this Code)

Keep in mind that many of us who work in the construction industry have friends who work for competitors. We must vigilantly avoid discussing sensitive, confidential or competitive business matters with those friends.

## Q&A

**Question:** During a trade association meeting, I chatted with representatives of several of our competitors. One representative said, “I don’t know about the rest of you, but our profit margins aren’t as good as they used to be.” Another said, “I wish we weren’t all competing for the same projects all the time.” I nodded my head, but never said anything. Was the discussion a concern? What should I have done?

**Answer:** Yes, this discussion definitely was a concern. A court might conclude that everyone present during the conversation, whether they said anything or not, had engaged in bid rigging even though there was never an explicit agreement. Because of this potential risk, if you find yourself present during a discussion with competitors where prices or bid strategies are being discussed, immediately break away from the discussion in a way that makes it clear you consider this improper, and promptly notify your supervisor.

### **Conflicts of Interest**

All of our employees engage in activities outside the Company. A “conflict of interest” arises when an employee’s personal, social, financial or political activities have the potential of interfering with her or his loyalty to Sterling and its shareholders, and objectivity in making decisions for Sterling. Potential conflicts of interest may or may not be actual conflicts. If you believe you have a potential conflict you should disclose it to Company management for a determination of the proper course of action to resolve the conflict.

Examples of potential conflicts of interest include:

- Investing in a Sterling supplier or competitor
- Accepting a personal contract or receiving personal payment from a Sterling supplier or competitor
- Having an immediate family member<sup>1</sup> who works for a supplier or competitor
- Having a reporting relationship with a Sterling employee who is also a close family member



<sup>1</sup> For purposes of this Code, an “immediate family member” is any child, stepchild, parent, stepparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of such person, and any other person (other than a tenant or employee) sharing that person's household.

- Having another job outside of Sterling without Company approval
- A conflict of interest can also arise from transactions between employees of a personal nature, such as making a loan of a significant amount of money to another employee or borrowing a significant amount of money from another employee. Under this Code, any loan or series of loans between employees of more than an accumulated outstanding amount due of \$500 is prohibited. Loans between supervisors and subordinates are prohibited except in rare instances involving very modest amounts (e.g., a \$10 “lunch loan” to an employee who forgot his wallet at home that day).

Not only must actual conflicts of interest be avoided, but also the appearance of a conflict of interest. This means you must:

- Disclose any situation that could result in an actual or potential conflict of interest, such as acquiring a financial interest in another company that does business with or competes with Sterling
- Avoid situations that give the appearance of a conflict of interest whenever possible
- Work with your supervisor to document and resolve any potential conflicts of interest.

## ***Trade Secrets and Confidential Information***

Sterling’s trade secrets, other confidential information and much of its internal data are valuable assets. Protection of these assets, including maintaining their secrecy, plays a vital role in our continued growth and ability to compete. A trade secret is any piece of information or idea that has economic value used in connection with Sterling’s business that is not generally known or easily discovered, and for which efforts have been made to maintain its secrecy. However, other confidential information has to be protected as well.

Sterling’s trade secrets and other confidential information may consist of any formula, design, device or information that is used in our business and that gives Sterling an opportunity to obtain an advantage over our competitors. Sterling’s trade secrets and other confidential information are not always of a technical nature. They can also include business research, new business lines, strategic objectives, any type of business development material or information, any unpublished financial or pricing information, employee, vendor lists, and information regarding customer requirements, preferences, business habits and plans. While not complete, this list suggests the wide variety of information that needs to be safeguarded. Trade secrets and other confidential information need not be patentable, but cannot be publicly known.

***Your obligations with respect to Sterling’s trade secrets and other confidential information are:***

- Not to disclose this information to others or third parties except on a “need to know” or “need to use” basis and, in those instances, with confidentiality designations and other data protection mechanisms such as password protection or encryption, as appropriate; and not to otherwise disclose this information.
- Not to engage third parties to handle this information without an appropriate review of the security and information technology controls of the third party.
- Not to post or discuss this information on publicly available websites or social media sites.
- Not to use this information for your own benefit or the unauthorized benefit of persons outside of Sterling.
- To take all other reasonable measures to protect Sterling’s trade secrets and confidential information in accordance with this Code, including your continued obligation if you leave Sterling to protect Sterling’s trade secrets and other confidential information until the information becomes publicly available or Sterling no longer considers it a trade secret or confidential.

***Whistleblower protection under this section.***

Under this section, you will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that—(A) is made—(i) in confidence to a federal, state or local government official, either directly or indirectly, or to your attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Further, if you file a lawsuit for retaliation by the Company for reporting a suspected violation of law, you may disclose the trade secret to your attorney and use the trade secret information in a court proceeding, if you—(A) file any document containing the trade secret under seal; and (B) do not disclose the trade secret, except pursuant to court order.

***Corporate Opportunities***

Directors, officers and employees are prohibited from:

- Taking for themselves personally opportunities that are discovered through the knowledge or use of Company property, information or position
- Using Company property, information, or position for personal gain
- Competing directly or indirectly with the Company without the consent of the Company’s Board of Directors.

## ***Gifts and Entertainment***

Business courtesies – such as gifts, favors and entertainment are often exchanged as a part of building good working relationships with customers and suppliers. While gifts and entertainment can build goodwill, they can call into question the motive of the person who provides them. In short, gifts and entertainment can create their own conflicts of interest.

As a general rule, you should not offer a business favor if doing so would make it appear to outsiders that you are attempting to influence a business decision. Likewise, you should never ask for or accept a favor from a third party if it might be viewed by outsiders as an attempt to compromise your objectivity in making a business decision.

You may not accept gifts of money or receive any type of personal kickbacks, commissions, rebates or other "under-the-table" payments. You may accept unsolicited, non-monetary gifts provided they are appropriate, of nominal value (less than \$100), and customary in our industry. You may accept or offer meals and entertainment if they are for a business purpose, if the cost is reasonable and not excessive, and the person offering the meals or entertainment is present.

Providing gifts and entertainment to governmental officials (state, local and federal) as well as union officials raises special risks. You may never offer or provide gifts, gratuities, transportation or entertainment to government or union officials, no matter how small the value, without the prior approval of Sterling's CEO.

This means you must:

- Exercise good judgment, moderation and discretion when giving and receiving business courtesies
- Turn down any gifts of cash or cash equivalents (such as gifts cards), or any gifts that are frequent or that may be viewed as lavish or an attempt to secure an unfair advantage
- Make sure you know the recipient's rules or policies before offering gifts or entertainment, especially if government or union officials are involved
- Choose entertainment places, such as restaurants, sports facilities, theater or other cultural events that are in good taste
- Accurately record all gifts and entertainment that you provide to outsiders on expense reports.

## Q&A

**Question:** One of our best subcontractors offered me a weekend trip for two to a local resort. We currently have an RFP on the street for the special type of prefabricated steel the subcontractor provides. This subcontractor is the very best choice for Sterling, and we've used them for years, so I suspect they'll win the bid anyway. Can I accept this weekend trip?

**Answer:** No. There should not be even the slightest hint that any contractual relationship is colored by your personal gain. Personal trips like this are inappropriate. However, user conferences or other educational events that relate to your work for Sterling may be appropriate. You should always consult your corporate department manager or Operating Unit Vice President or higher before accepting such trips.

### ***Working with Suppliers and Subcontractors***

Our suppliers and subcontractors are valued partners in the success of our business. Because our relationships with suppliers and subcontractors must be characterized by honesty and fairness, these relationships must be based on competitive factors such as quality, service, technology and price.

This means you must:

- Only do business with suppliers and subcontractors that share our commitment to a high standard of ethics and compliance
- Provide a competitive opportunity for suppliers to win business from Sterling, including small businesses and businesses owned by women, minorities or the disadvantaged
- Avoid relationships with disadvantaged business enterprise firms who do not meet program eligibility requirements in both form and substance
- Safeguard any proprietary or confidential information given to or received from suppliers under confidentiality agreements
- Not engage in behind-the-scenes "bid shopping" or other tactics that undermine trusted relationships
- Honor commitments, contracts and agreements made with suppliers.

## ***Government Procurement and Contract Compliance***

Sterling must comply with the procurement laws, rules and regulations of all government customers. These laws, rules and regulations are unique to the government procurement processes and the performance of work under government contracts.

This means you must:

- Compete fairly and avoid the misuse of sensitive or proprietary information belonging to others when pursuing contracts, and never look at a competitor's bid before it becomes public
- Honor prohibitions and restrictions applying to government employees (such as gifts and hiring of former government employees)
- Protect sensitive or classified government information
- Perform in full conformance with all contractual specifications (including “Buy American” requirements, if applicable) and get pre-authorization from the customer before deviating from specifications
- Adhere to government accounting and pricing requirements, claim only allowable costs, and follow approved rate schedules
- Document and charge time accurately and appropriately
- Ensure that invoices, data and other information submitted to the government are free of misstatements whether due to error or fraud
- Be alert to, and raise any concerns related to waste, fraud or abuse involving public funds.

***Remember:*** The laws relating to doing business with government customers and public officials impose requirements not traditionally found in purely commercial transactions. Common-sense solutions to normal business problems, such as the need to substitute an equal or better material to address delivery issues, could, if not handled properly, violate state or federal law and subject the Company to severe penalties.

## Q&A

**Question:** We are building a bridge on a military base. The rebar called for in the contract will not be available for several weeks. We have what I think is a superior rebar available locally which will cost us more but will ensure that we stay on schedule. Since we will not charge the military more for the better rebar is it OK to use it?

**Answer:** No, we may not. Unless the contract specifically allows for such substitution, the government's Contracting Officer must formally approve all contract modifications in writing, even when the change appears to be in the government's favor.

### Additional Resources

- [Sterling's Contracting with the Government Policy](#)



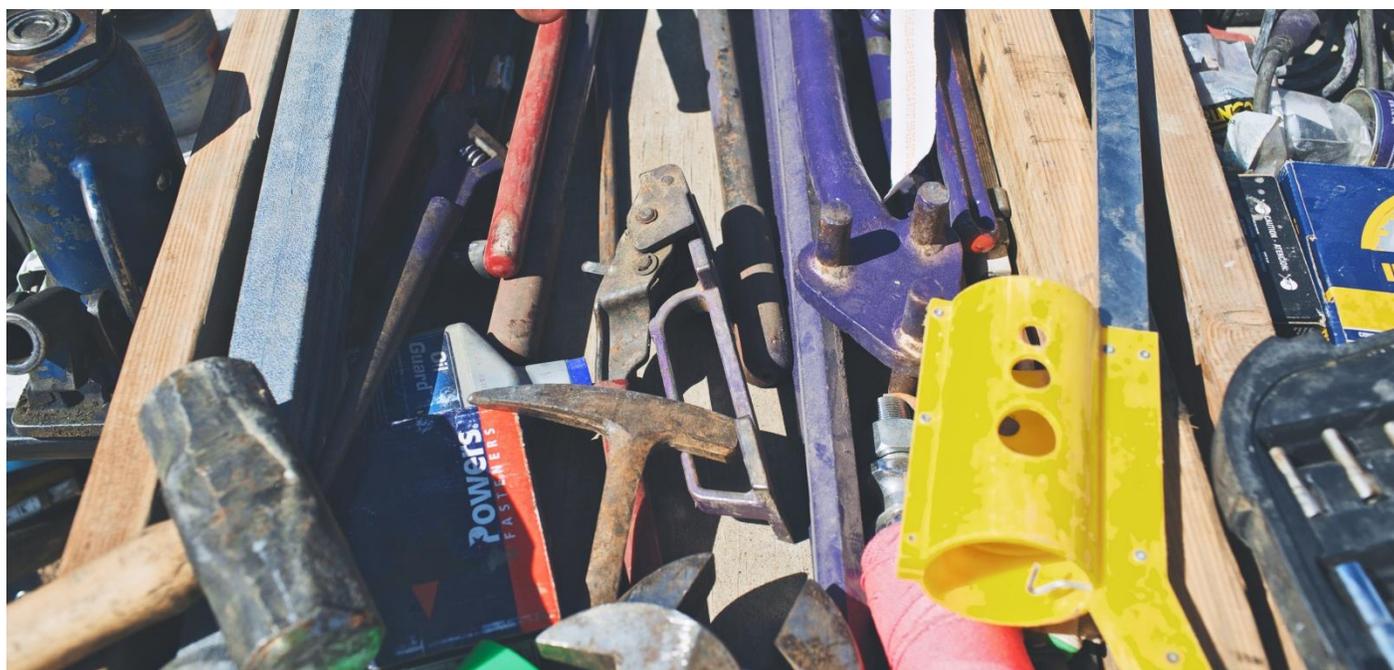
## Avoiding Improper Payments

It is strictly prohibited to give anything of value directly or indirectly to a local, state or federal government official in order to influence the official's judgment in the performance of official duties. It is likewise prohibited to ask a third party to make any payment of that kind, or to do any other act that would be inappropriate for Sterling to do directly.

### Q&A

**Question:** We're doing some infrastructure work in a city where we haven't worked before. I was told that I could hire a local consulting firm to take care of getting all the permits we need and "smooth out" the inspection process. The firm requested a \$60,000 retainer and said that the payment would "help move the process along." Since we don't really know where the money is going, do we have to worry about it?

**Answer:** Yes! Absolutely. You must know where that money is going and for what purpose it is being used. Moreover, the Company is required to take positive steps to ensure that this money is not used as a bribe. You must seek the advice of Sterling's Legal Department on this type of issue.





## Sterling's Responsibilities as a Public Company

### *Accurate Financial Reporting*

The stock of Sterling, the parent company, is publicly traded on the Nasdaq Global Select stock market and as a result, Sterling is required to make periodic disclosures of information about the Company. These financial and other disclosures must be complete, accurate, and free from misleading statements. Each day, employees generate information such as expense reports, purchase orders, invoices, time records, payroll records, and safety reports that is fed into the Company's central financial records. Therefore, *everyone* has a role in ensuring that this information is accurate and reliable.

Decisions are made at all levels of the organization based on the recorded information. Inaccurate information can therefore lead to poor internal decision-making, and if inaccurate information is the basis of a disclosure to the public, it can lead to civil and criminal penalties.

This means you must:

- Follow Sterling's accounting policies, generally accepted accounting principles, and standards and regulations governing accounting and financial reporting
- Ensure that financial, non-financial and operating information are recorded accurately and in a timely fashion
- Observe proper controls and maintain the segregation of duties of those controls
- Provide honest forecasts and assessments of operating results
- Be truthful and cooperative in your interactions with internal and external auditors
- Not use accounting tricks that favor form over substance to achieve desired results.

## Q&A

**Question:** It is the last week in the quarterly reporting period. My boss wants to make sure we meet our numbers for the quarter, so he asked me to record in this quarter progress on a project that includes a milestone that we're sure we will make early next quarter. I guess this won't hurt anyone – should I do what he says?

**Answer:** Definitely not! Costs, billings, project progress, and revenues must be recorded in the correct time periods.

## ***Insider Trading***

Insider trading is using “material” “inside” information that you have obtained about the Company to buy or sell shares of Sterling's stock and is strictly prohibited by law.

Similarly, you may not use material inside information that you learn about a business partner, customer or vendor to purchase stock of that entity.

- "Material" information means information that a reasonable investor would likely consider important in deciding whether to purchase or sell a security, such as a share of stock.
- "Inside" information means information that is not available to the public.

Some examples of material information include the following before it is disclosed to the public:

- Revenues and earnings
- Projections of future earnings or losses
- Pending or proposed acquisitions, mergers or tender offers
- Sales of a large amount of assets or the sale of a subsidiary
- A public or private offering of shares
- Changes in top management
- Significant new contracts
- Significant losses on projects.

No director, officer or employee is permitted to use material inside information in purchasing Sterling stock or is permitted to give that information to someone else for that or any other purpose except the proper conduct of Sterling’s business. To use material inside information for personal financial benefit or to “tip” others who might use it to make an investment decision is illegal.

Every manager is responsible to see that any employee under his or her supervision who could learn of material inside information knows that there is a Sterling Insider Trading Policy and understands the requirements of the policy. The Insider Trading Policy also applies to trading in securities of publicly traded business partners, vendors or others with whom we do business.



## Q&A

**Question:** We are teamed with a small public company for a major sub-contracted portion on a large public water and sewer infrastructure project. We learned today that the prime contractor has been awarded the project, but the details will not be announced until a public meeting in a week. I understand this award will double our partner's projected income for next year. My sister-in-law follows our industry and invests in publicly-traded construction companies. Can I tell her about this and let her decide whether she thinks the prime contractor is a good investment?

**Answer:** Absolutely not! The advance non-public information you now have about the contract award is material inside information of that team partner. If you disclose it to your sister-in-law, you are violating our policy not to divulge confidential proprietary information. If you or your sister-in-law uses the information to invest, you will be violating not only our policy but also U.S. securities laws.

### Additional Resources

- Sterling's Insider Trading Policy

### Records Management

Company records should be maintained in accordance with Sterling's policies that govern the creation, storage, maintenance, retrieval and destruction of Company records. Keep in mind that records can take many forms, such as:

- Paper records
- Electronic records
- Pictures
- Drawings
- Videotapes
- Photographs.

You should fully comply with the Company's document preservation and retention policies, which are particularly important when a legal proceeding arises.

This means you must:

- Retain or discard documents in accordance with the Company's document retention policies except when told to do otherwise
- Store documents in a safe and secure environment

- Make sure when discarding documents in accordance with our policies that contain confidential or personally identifiable information are fully shredded or otherwise destroyed
- Interpret the term “documents” broadly if you receive a notice from the Company to preserve documents in connection with actual or potential litigation, and retain all documents that may be even slightly relevant to the notice.

### **Additional Resources**

- Sterling’s Records Management Policy

## ***Use of Social Media***

Social Media includes Internet applications that facilitate information sharing and collaboration, such as web-based communities, social-networking sites, video-sharing sites, wikis, blogs and many others.

To maintain the confidentiality of Sterling's confidential and proprietary information, employees must not respond to any inquiries or post any information on the Internet about Sterling unless specifically asked to do so by the Company’s Communications Department.

Be mindful of the public nature of the Internet when engaging in conduct online, and avoid publishing anything that you wouldn’t want to be viewed by your family, by colleagues or by the general public. Since content is easily transferred and replicated across the Internet, it is nearly impossible to delete content once it has been published there.

This means that in using social media you must:

- Apply the standards contained in this Code to your online activities
- Not discuss confidential information about Sterling or its operations with outsiders
- Show respect for your colleagues and their rights to privacy
- Identify clearly your role with the Company and make clear that the views you express are your own
- Strive for decorum, proper language and accuracy in your communications; errors, omissions or defamatory statements can result in liability for you and/or the Company
- Ensure that online activities do not interfere with your job responsibilities
- Recognize that the way you represent yourself online is not only a reflection of you, but also of Sterling
- Not use social media to defend the Company, or “fight” with those who criticize the Company in any way, even if the criticism is absolutely wrong or unfair.

## Additional Resources

- Sterling's Social Media Policy

# Q&A

**Question:** I often visit blog sites when relaxing at home, and last week, I noticed comments from a former employee describing his experience with our Company in a very negative manner. This upset me very much. May I respond to these comments?

**Answer:** You may not respond to comments on behalf of the Company. However, you are free to respond on a personal basis, as long as you are not violating the Company's guidelines on using Information Technology resources and Social Media and are not disclosing the Company's confidential or proprietary information. You are also strongly encouraged to bring this matter to the attention of your manager or Human Resources.



## Sterling's Relationships with Society

### *Our Goal*

Sterling is committed to being a responsible corporate citizen and a good neighbor. Our interactions with the government, our regulators, the media, and local communities are grounded on honesty and good faith. We hold ourselves as a company accountable to the highest standards of conduct in fulfilling our responsibilities to society.

### *Environmental Stewardship*

As a responsible corporate citizen, Sterling is dedicated to protecting human health, natural resources and the environment. This dedication reaches further than compliance with the law — it's about incorporating protection of the environment in our business decisions and operational activities.

This means you must:

- Ensure our operations meet local environmental requirements and Company standards, whichever are more stringent
- Obtain and comply with environmental permits when required for a project
- Handle, transport and arrange for the disposal of hazardous materials, products and waste in a legal, safe and environmentally responsible manner
- Seek opportunities to minimize noise, odor or visual nuisances for those who may be impacted by our operations
- Immediately report any environmental accidents or violations of law.



## Q&A

**Question:** We use a contractor to dispose of spent oil. I know the contractor's foreman and I get the feeling that they may not be disposing of the oil the right way, at least not according to what the law says. Should I care about this? After all, I don't work for the contractor and it is just dirty oil – not some toxic substance. They are probably saving everyone money.

**Answer:** Yes, you should care. What the contractor is doing could make Sterling legally responsible for the contractor's illegal activities. But even if Sterling were not liable, we still care. Doing things the right way means not looking the other way if you have reason to think someone we work with is doing something wrong. We should never "second guess" the law. Environmental laws exist for a reason. Not all substances are equally harmful, but all must be properly disposed of. Do the right thing. Talk with your supervisor, Safety Coordinator or call the Sterling Helpline.



## ***Political Involvement***

Sterling encourages employees to share their talents and free time with their communities and applauds those who wish to make legal political contributions as private citizens. However, you should not use Company resources or the Sterling name when involving yourself with such activities without first obtaining permission from the Legal Department.

This means you must not:

- Make political contributions on behalf of Sterling
- Pressure colleagues, contractors or suppliers to make political or charitable contributions or otherwise creating a “pay to play” environment
- Use Company time, property or resources for political activities
- Attempt to influence or lobby for legislative, administrative or political action on behalf of the Company without the approval and involvement of the Legal Department.

## **Q&A**

**Question:** There is a candidate running for re-election who supports Sterling’s positions on infrastructure development. Can I make a donation to her campaign and put it on my expense report?

**Answer:** No. You may contribute on your own using your own funds. If it is appropriate for Sterling to contribute (and in many jurisdictions it is not) then the contribution would have to be approved and made directly by Sterling.

## ***Government, Media and Community Relations***

Government agencies, media and local communities depend on the honesty and accuracy of our communications. We are each responsible for communicating in a forthright and honest way, free of any misleading or inaccurate information. Likewise, we support the rule of law, and are committed to cooperating with governments and agencies in their investigations and legal proceedings, and by complying with valid requests for documents and information.

This means you must not:

- Mislead any investigator or other government or regulatory official
- Attempt to obstruct in any manner the collection of information, data, testimony or records by authorized government officials

- Comment to outside parties, including the media, on the Company's operations or financial condition without the express authorization the Company's Communications Department.





## Asking Questions and Raising Concerns

### *How to Spot Ethical Dilemmas*

Before making a decision or carrying out a directive, consider its ethical consequences by asking yourself:

- Does this meet the letter and the spirit of the law and this Code?
- Is this the right thing to do?
- Who could be impacted by this decision?
- Would I want someone else to make the same decision if our roles were reversed?
- Is my judgment free from conflicts of interest, or do I have a personal stake in the outcome that makes me less objective?
- Would additional advice or expertise help me in making the decision or carrying out the directive?
- Would I feel comfortable explaining my decision to my family, or a prosecutor if it were made public?

### *Your Duty to Speak Up*

No company can live up to its commitment to act with integrity if its employees, as individuals, do not speak up when they should. That is why, in addition to knowing the legal and ethical responsibilities that apply to your job, you should speak up if:

- You are ever unsure about the proper course of action and need advice
- You believe that someone acting on behalf of Sterling is doing – or may be about to do – something that violates the law or the standards of this Code.

Reporting compliance problems, like reporting safety problems, protects the jobs of all your Sterling colleagues as well as your own job.

### *Where to Go for Help*

If you do have a question or concern about ethical or legal standards, what should you do? We work hard to create and encourage an environment of open, honest communication. So if you have a concern about a legal or business conduct issue, you have several options. The most important thing is that you use one of these options to ask your question or raise your concern.



Your supervisor is usually a good place to start with a legal or business conduct issue.

You may also get help or advice from:

- Your supervisor's supervisor
- The head of your department
- Your Human Resources Representative
- The Chief Compliance Officer
- The Legal Department.

## ***The Sterling Helpline***

If you ever feel unsure about where to go, or are uncomfortable using one of the other resources identified in this booklet, Sterling has an additional resource that can help: the Sterling Helpline, which can be accessed by telephone or online. The sole purpose of this telephone and online resource is to answer questions and respond to concerns about compliance, integrity and Sterling policies. It is available to Sterling employees and agents, as well as third parties who have dealings with Sterling (such as subcontractors and customers as well as the public).

An independent company that helps businesses respond to concerns about integrity and compliance operates the Sterling Helpline. The Sterling Helpline operates 24 hours a day, seven days a week and also has translation services available at all times.

You may reach the Sterling Helpline —

- By calling 1-800-398-1496, which is the Helpline number for English-speaking employees;
- By calling 1-800-216-1288, which is the Helpline number for Spanish-speaking employees (From Mexico dial 001-800-216-1288);
- By sending an e-mail in any language to: [Reports@Lighthouse-Services.com](mailto:Reports@Lighthouse-Services.com) (Must include the name of the company);
- On the Internet at [www.Lighthouse-Services.com/strlco](http://www.Lighthouse-Services.com/strlco) (Must include the name of the company).
- By sending a fax in any language to 1-215-689-3885 (Must include the name of the company).

## ***Can I Report Anonymously?***

If you wish, your call, email or internet contact can be made anonymously. The person who receives these contacts is not an employee of Sterling and will listen and make a detailed summary of your question or concern. The details will then be forwarded to Sterling's Chief Compliance Officer.

Every effort will be made to give your question or concern a quick response, especially when circumstances make that important. If an investigation is undertaken, we will look into the issue promptly and, whenever called for, see that corrective action is taken.

The Sterling Helpline assigns tracking numbers to contacts so that employees (whether choosing to remain anonymous or not) can check back to receive a response or to provide more information. Of course, giving your name will help us look into the matter. As explained below, Sterling has a firm policy against retaliation for raising a good faith concern under this Code.

### ***Confidentiality***

If you choose to identify yourself when using the Sterling Helpline, the Company will endeavor to keep your identity confidential, sharing it only on a need-to-know basis among those directly handling or overseeing the issues you reported. Note: there may be unique circumstances when disclosing your identity is required by law or is necessary to fully investigate and address your concerns. Also keep in mind that providing your name allows us to contact you if we need additional information, which makes a thorough investigation easier. Providing your name also helps us ensure that you do not experience retaliation for making a good faith report.

### ***Responsiveness***

When a concern comes in through the Sterling Helpline, we take it seriously and we act on it. Out of respect for the privacy of individuals who may be affected by your report, we may be unable to give you the detailed results of our investigation, or what actions were taken in response. However, whenever possible, we will provide you with the status of our investigation so you know that your concern is receiving an appropriate response. Members of senior management and the Board of Directors receive reports on the resolution of each case.

### ***Retaliation Will Not be Tolerated***

Anyone who, in good faith seeks advice, raises a concern or reports misconduct is following this Code and is doing the right thing. Sterling will not tolerate retaliation against that person. Individuals engaging in retaliatory conduct will be subject to disciplinary action, which may include termination of employment. If you suspect that you or someone you know has been retaliated against for raising a good faith concern or reporting misconduct, immediately contact the Sterling Helpline, Sterling's Chief Compliance Officer, or any Human Resources Representative and inform him or her of the fact.

**STERLING TAKES CLAIMS OF RETALIATION SERIOUSLY. ALLEGATIONS OF RETALIATION WILL BE INVESTIGATED AND APPROPRIATE ACTION TAKEN.**

## Q&A

**Question:** I think my supervisor is doing something that this Code says is wrong. I know I should tell someone, but I'm afraid that my supervisor will make my job more difficult for me if I do. What should I do?

**Answer:** If you don't feel comfortable talking to your supervisor about it directly, this is an ideal reason for calling the Sterling Helpline. After the Helpline receives your information, the Company will investigate the situation. Sterling will not tolerate retaliation against you in any form. The right thing to do is to report your concerns right away.

### ***Raising Concerns Appropriately***

Reporting concerns is fundamental to developing a strong culture of ethics and compliance and Sterling encourages and fully supports such reporting. However, reporting of compliance and ethics concerns must be made in good faith, in the best interests of the Company and not for personal gain or motivation. Like retaliation, misuse of the tools for reporting concerns or complaints made available by this Code will not be tolerated.



## Your Acknowledgement and Certification

### *I acknowledge and certify that:*

- I received my personal copy of Sterling’s Code of Business Conduct (“the Code”)
- I understand that I have a duty to read and be familiar with the Code
- Any questions I had about the Code or the meaning of any part of it have been satisfactorily answered by my supervisor or by another member of management
- I understand that ignorance is not an excuse for not complying with the Code and that therefore, if after signing this certification I have any question or questions about the Code, it is my obligation to get an answer from my supervisor, by another member of management, or if I feel uncomfortable doing that, by contacting the Sterling Helpline
- I can and will perform my job responsibilities consistent with the letter and spirit of the Code
- I understand that I am responsible for monitoring compliance with the Code and enforcing its standards by those employees whom I supervise
- I understand that I have a personal duty to report all known or suspected violations of the Code in one of the ways described in the Code
- I am not aware of any Code violations that I have not previously reported or made known to management.

---

Print Name

---

Signature

---

Date

*Please return this signed acknowledgement to your local Human Resources Department.*