

Conflict of Interest Policy

Created: February 15, 2022

Table of Contents

CONFLICT OF INTEREST POLICY.....	1
1. Introduction	3
1.1. Purpose.....	3
1.2. Scope and Applicability.....	3
2. Definitions, and Principles & Rules.....	3
2.1. Definitions.....	3
2.2. Principles & Rules.....	4
2.2.1. Employees should understand when a Conflict of Interest may arise	4
2.2.2. Employees should avoid Conflicts of Interest wherever possible.....	5
2.2.3. Employees must disclose Conflicts of Interest.....	5
2.2.4. Managers and Human Resources must ensure Conflicts of Interest are appropriately addressed.....	5
3. Implementation	6
3.1. Training and Awareness	6
3.2. Reporting Potential Misconduct/Non-Retaliation.....	6
3.3. How to report potential misconduct:.....	6
3.4. Breach of this Policy	7
3.5. Responsibilities and Implementation	7
4. Annex	8
4.1. High-Risk Conflicts of Interest that employees Must Avoid or that Must be Removed	8
4.2. Contacts for guidance	9
5. Disciplinary Action	9

1. Introduction

1.1. Purpose

DCX-CHOL Enterprises, Inc. (DCX) is committed to conducting business in a manner that ensures our employees' business judgment and decision-making are not influenced by undue personal interests.

When an employees' personal interests either influence, have the potential to influence or are perceived to influence their decision making at DCX, a conflict of interest situation results.

This policy explains the relevant principles and rules for preventing or managing conflicts of interest and how such principles and regulations are to be implemented.

1.2. Scope and Applicability

1.2.1. Scope

This policy contains DCX's company-wide standards. This policy is intended to supplement and not replace any applicable state and federal laws governing conflict of interest applicability. Therefore in states, more stringent applicable laws and regulations supersede the principles set out in this policy.

1.2.2. Applicability

This policy applies to all employees*

This policy enters into force as of February 10, 2022, and must be implemented by all DCX-CHOL Enterprises, Inc. divisions. It further defines the Employee Handbook version of the Conflict of Interest section for all CA, IL, IN, NV and TX employees.

2. Definitions, and Principles & Rules

2.1. Definitions

2.1.1. Closely related persons

"*Closely related persons*" are the employee's family members, someone with whom the employee has an intimate relationship, and those living in the same household as the employee.

2.1.2. Avoiding

"*Avoiding*" a conflict of interest means employees take decisions or actions to ensure a conflict of interest does not occur or does not have the potential to happen in the first place.

2.1.3. Disclosure

"*Disclosure*" means sharing the existence, nature, and all relevant facts of a conflict of interest with the Employee's Manager.

2.1.4. Newly Hired Employees

"*Newly Hired Employees*" are first-time employees with DCX.

2.1.5. Manager

"*Manager*" refers to the employee's Operational Manager responsible for the employee's work from a business or operational perspective.

2.1.6. Addressing a conflict of interest

"*Addressing a conflict of interest process*" is the process of identifying and implementing strategies and practices to minimize the risks to the employee with the disclosed conflict of interest.

- One example:
 - Suppose an employee's spouse is a Senior Executive at a potential DCX supplier. In that case, the employee's manager may decide the best way to mitigate potential risks to the business interests and reputation of DCX is to exclude that employee from any role where they can make decisions about or influence the outcome of that supplier's activities.

2.2. Principles & Rules

2.2.1. Employees should understand when a Conflict of Interest may arise

Conflicts of interest may arise where an employee places their personal interests before the interests of DCX and where such personal interests unduly influence that employee's business judgments, decisions, or actions. These situations may include both ***closely related persons*** (see *para 2.1.1*) and friends. Making judgments, making decisions, or pursuing activities when facing a conflict of interest may make it difficult to perform work for DCX objectively and effectively and may have legal and regulatory consequences.

DCX defines conflicts of interest broadly:

- Actual conflicts of interest -- the employee faces a real, existing conflict;
- Potential conflicts of interest -- the employee is in or could be in a situation that may result in a conflict; and
- Perceived conflicts of interest -- the employee is in or could be in a situation that may appear to be a conflict, even if this is not the case.

Common examples of conflict of interest situations include:

- *personal workplace relationships* -- e.g., hiring or supervising a closely related person),
- *external mandates* -- e.g., serving on the board of directors or advisory board of a DCX competitor,
- *outside employment* -- e.g., having a second job with a DCX customer, supplier, or competitor,
- *promoting personal financial interests* -- e.g., owning a substantial share of a DCX supplier while in a position to steer DCX business towards it, and
- *receiving fees, commissions, discounts, gifts, entertainment, or services* -- e.g., receiving cash from a DCX business partner.

Employees are expected to recognize when they have, potentially have, or could be perceived as having, a conflict of interest. Employees should consult their Human Resources if in doubt about what circumstances might create a conflict of interest.

2.2.2. Employees should avoid Conflicts of Interest wherever possible

As part of their employment with DCX, employees have a contractual obligation of loyalty to DCX. Accordingly, employees should avoid conflicts of interest with DCX. However, some conflicts of interest represent an exceptionally high risk to the reputation or business interests of DCX., and employees must avoid these (see *Annex Table 4.1*).

DCX respects employees' rights and choices and does not wish to interfere with their personal lives. However, employees' avoidance of conflicts of interest is an important part of maintaining the integrity and sustainability of our business and builds trust and support amongst colleagues and our key stakeholders.

2.2.3. Employees must disclose Conflicts of Interest

DCX understands that **avoiding** (see *para 2.1.2*) a conflict of interest may not always be possible or practical. The required action for an employee who does not or cannot avoid a conflict of interest is to disclose it.

Having a conflict of interest is not necessarily wrong. However, it can become a problem or a legal matter if an employee tries to influence the outcome of business dealings for direct or indirect personal benefit. This is why transparency, in the form of disclosure, is critical and helps to protect the integrity and reputation of DCX and the employee.

Therefore, employees must disclose to Human Resources any conflicts of interest.

The **disclosure** (see *para 2.1.3*) must occur as soon as the employee identifies that there may be a conflict of interest. Also, whenever possible before the employee engages in the conduct in question.

Newly hired employees (see *para 2.1.4*) specifically must disclose all conflicts of interest during the hiring process to be discussed with the hiring manager.

A discussion with the employee's **manager** (see *para 2.1.5*) should be the starting point for disclosing a conflict of interest. However, employees must also submit the standard Conflict of Interest Disclosure Form to their Manager and Human Resources.

Business is dynamic, and when circumstances change, existing disclosures may no longer be accurate or complete. When this happens, the employee must freshly disclose the conflict of interest.

References

The DCX-CHOL Enterprises, Inc. standard Conflict of Interest Disclosure Form is available at <http://intranet.dcxchol.com/intranet/listfiles.aspx?category=finance>

2.2.4. Managers and Human Resources must ensure Conflicts of Interest are appropriately addressed

The disclosure provides transparency to actual, potential, or perceived conflict of interest risks to DCX. It is necessary to mitigate these risks, but disclosure alone is insufficient. Therefore, this policy also requires **addressing a conflict of interest** (see para 2.1.6).

Addressing a conflict of interest is the responsibility of the manager. Specifically, DCX expects the manager to:

1. Treat the information disclosed by the employee with appropriate confidentiality and without bias
2. Fairly evaluate the conflict of interest situation disclosed by the employee, including the risks to the business interests and reputation of DCX-CHOL Enterprises, Inc.
3. Seek guidance if needed from the employee's functional manager and from supporting functions, including Legal, HR, and Business Ethics & Compliance
4. Make a pragmatic decision to address the conflict of interest so that risks to DCX are minimized, and the personal interests of the employee are protected as far as possible
5. Communicate the decision and its reasoning to the employee. Also, follow up to ensure the employee understands and complies with it
6. Retain documentation of the decision using the standard Conflict of Interest Disclosure Form and provide a copy to the employee (or use the local online disclosure system)

Many conflicts of interest situations can be addressed in a simple and mutually acceptable manner. Pro-active and open dialogue between Managers and their employees is essential to support this outcome.

References

Managers are encouraged to consult their HR Business Partner or Compliance Officer if in doubt about evaluating and addressing a conflict of interest. See also **Annex Table 4.2**.

3. Implementation

3.1. Training and Awareness

Employees must familiarize themselves with this policy and participate in periodically held training sessions. Managers should also be trained on their specific responsibility to evaluate and address conflicts of interest effectively.

3.2. Reporting Potential Misconduct/Non-Retaliation

Any employee who learns of a potential violation of applicable laws or this policy is required to report their supervisor promptly in accordance with DCX CHOL Enterprises, Inc.'s **Code of Conduct, Section 3, Open Door Policy**.

3.3. How to report potential misconduct:

To foster a comfortable reporting environment, you may report any violation or suspected violation directly in person or anonymously using any of the following reporting avenues;

- Your supervisor or manager,
- All levels of management,
- Human Resources, 310-516-1692 Ext. 111 or
- Whistleblower Hotline, [WB Inbound] Number: 310-359-6023

Reporting suspected violations of DCX's Ethics policy will not adversely affect your employment at DCX (i.e., employees will not be demoted, transferred, suspended, or terminated for reporting a violation). In addition, employees who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct will be protected against retaliation.

3.4. Breach of this Policy

Breaches of this policy will not be tolerated and can lead to disciplinary and other actions up to and including termination of employment.

3.5. Responsibilities and Implementation

Every DCX manager is responsible for adhering to this policy within their functional responsibility area. Managers are also responsible for leading by example and providing guidance to employees reporting to them.

All employees are responsible for adhering to the principles and rules set out in this policy.

HR is responsible for ensuring conflicts of interest are disclosed by new hires during the hiring process.

The owner of this Conflicts of Interest Policy is DCX Corporate Human Resources.

4. Annex

4.1. High-Risk Conflicts of Interest that employees Must Avoid or that Must be Removed

Type of conflict	What must be avoided or removed
Personal workplace relationships	<p>Employees must not</p> <ul style="list-style-type: none"> • Be in a supervisory, subordinate, or control relationship (e.g., influencing conditions of employment) with closely related persons • Be involved in any hiring decision regarding closely related persons (including internal/external hiring and internal transfers)
Outside engagements, including employment	<p>Employees must not have any paid or unpaid engagement with</p> <ul style="list-style-type: none"> • A DCX business partner or competitor, unless it meets a DCX business purpose or does not influence (and cannot be perceived as influencing) the employee's business judgment • Any other person or company if this impacts their performance at DCX-CHOL Enterprises, Inc.
<p>Personal financial interests</p> <p>Relationships with business partners and competitors</p>	<p>Employees must not</p> <ul style="list-style-type: none"> • Own any interest equal to or greater than 1% in any company which competes with or does business with at DCX-CHOL Enterprises, Inc. • Conduct at DCX-CHOL Enterprises, Inc. business with any entity in which they have a substantial interest or with which they have a substantial affiliation • Act as an official of or advisor, or consultant to any government agency with regulatory or supervisory power over at DCX
Gifts, meals, travel, entertainment *	<p>Employees must not directly or indirectly solicit or accept from any DCX-CHOL Enterprises, Inc. business partner or competitor</p> <p>Cash or cash equivalents (e.g., stocks, gift certificates, discounts not based on a collective agreement, etc.); this includes actual and potential business partners or competitors</p> <p>Gifts; if a gift is received nonetheless, it must be returned if it influences or could be perceived as influencing the employee's business judgment</p> <p>Meals, travel, or entertainment, unless it predominantly meets a DCX-CHOL Enterprises, Inc. business purpose,</p>

	is accompanied by a representative of the business providing it and does not influence (and cannot be perceived as influencing) the employee's business judgment. Accepting entertainment of a non-ordinary, exceptional nature requires Manager approval
Fees, commissions, services, other favors	Employees must not directly or indirectly Solicit or receive a fee, commission, service, or other favor from any actual or potential DCX-CHOL Enterprises, Inc. business partner or competitor

4.2. Contacts for guidance

Type of conflict	What must be avoided or removed
Personal workplace relationships External mandates ** Outside engagements, including employment	HR Business Partner
Personal financial interests Relationships with business partners and competitors Gifts, meals, travel, entertainment Fees, commissions, services, other favors	Compliance Officer

5. Disciplinary Action

All conflicts of interest will be reviewed on a case-by-case basis. A review may result in disciplinary action. DCX's company Officers/Executive shareholders have full discretion to deem what disciplinary action is fitting and necessary, including suspension and/or termination of employment.

CONFLICT OF INTEREST POLICY

DIRECTIONS:

- **SECTION I:** Must be completed by Officer, Vice President, Officer, and key employee only.
- **SECTION II:** Must be completed by ALL employees

SECTION I: ANNUAL STATEMENT *(Officer, Vice President, Officer, and key employee)*

To be completed annually and at any time there is a change to the last statement given.

I hereby certify as follows:

1. I have received a copy of the Corporation's Conflict of Interest Policy, and I have read it and understand the policy.
2. I agree to comply with the policy.
3. I understand that the DCX is a government contractor, and to remain in compliance with its Business Code of Conduct and Ethics Policies, it must engage primarily in activities that accomplish one or more of its purposes.
4. CHECK APPLICABLE BOX:

I have no potential conflicts of interest to report.

I have the following potential conflict(s) of interest to report: (1) Include the name of any entity of which you are an officer, director, trustee, member, owner, or employee and (2) with which DCX has a relationship, and (3) any transaction in which DCX is a participant in which you have a potential conflict of interest.

Printed Your: _____

Date: _____

Section II: Acknowledgement *(All employees)*

I acknowledge that I understand the procedure for conflicts of interest with DCX-CHOL Enterprises, Inc., including my duty to disclose any known or potential conflicts.

Furthermore, I agree to abide by the procedures outlined in this policy for the duration of my professional relationship with DCX CHOL Enterprises, Inc.

 Print Your Name

 Date

 Signature