

**HAYWARD**

Hayward Holdings, Inc.  
Business Conduct Policy

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**HAYWARD HOLDINGS, INC.  
BUSINESS CONDUCT POLICY**

	Page No.
CHAPTER ONE .....	3
COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS .....	3
A. Company Books and Records .....	3
1. Accuracy of Corporate Documents .....	3
2. Retention and Destruction of Records .....	4
B. Equal Employment Opportunity .....	4
C. Sexual And Other Workplace Harassment .....	6
D. Health, Safety and Environment .....	7
E. Fraudulent Conduct .....	7
F. Privacy and Security Laws .....	8
G. Fair Dealing .....	8
H. Antitrust Laws .....	9
1. Agreements with Competitors .....	9
2. Bid Rigging .....	10
3. Dealing with Distributors, Suppliers and Customers .....	10
(i.) Refusals to Deal .....	11
(ii.) Tying Arrangements .....	11
(iii.) Exclusive Dealing .....	11
(iv.) Reciprocity .....	11
I. Immigration Laws .....	12
J. Export Control Laws .....	12
K. Political Contributions and Other Political Activities .....	13
L. Charitable Contributions .....	13
M. Copyright Infringement and Software Piracy .....	14
N. Government Investigations .....	14
1. Subpoenas .....	14
2. Search Warrants .....	15
CHAPTER TWO .....	16
BUSINESS CONFLICT POLICY .....	16
A. Conflicts of Interest .....	16
1. Corporate Opportunities .....	16

2.	Relationship with Vendors, Suppliers and Customers.....	17
3.	Relationships with Competitors.....	17
4.	Relationships with the Government.....	18
	(i.) Gifts to Government Officials and Employees.....	18
	(ii.) Government Procurement.....	19
5.	Gifts, Gratuities and Entertainment to and from Third Parties.....	19
B.	Use of Company Property.....	20
C.	Outside Activities.....	21
D.	Confidential and Proprietary Information.....	21
	1. Contact with the Media.....	22
	2. Contact with Attorneys.....	22

**EXHIBITS**

Business Conduct Policy Awareness Certification.....	Exhibit A
Annual Compliance and Ethics Survey and Disclosure Statement .....	Exhibit B

**A MESSAGE FROM KEVIN P. HOLLERAN, PRESIDENT & CEO  
OF HAYWARD HOLDINGS**

Dear Employees and Agents:

The attached Business Conduct Policy (the “Policy”) adopted by Hayward Holdings, Inc. (Hayward” or the “Company”) memorializes the values and principles that form Hayward’s standards for ethical and lawful conduct of its business.

At Hayward, we have a strong record of commitment to an organizational culture that encourages honesty, integrity and full compliance with the law so that we may continue to provide the highest quality products and related services to our customers. This Policy will assist us in fulfilling this commitment by setting forth the standards of ethics and lawful behavior that we expect in our workplace in every location in which Hayward conducts business. Observing these policies and procedures will help to maintain Hayward’s outstanding reputation in the industry and will protect Hayward and each of its employees from conflicts of interest or any appearance of impropriety.

While every employee is responsible for his or her own actions and the consequences of those acts, Hayward’s culture, values and reputation are determined by the collective conduct of its employees. Therefore, each of us is obliged to observe the letter and spirit of the standards set forth in the Policy. We also expect our agents, representatives, suppliers, vendors and consultants to conduct themselves consistent with ensuring the maintenance of these standards and principles. Any employee who knowingly violates this Policy, or who knowingly permits a subordinate to do so, may be subject to disciplinary action, up to and including possible dismissal from employment, civil liability and, in some instances, even criminal prosecution.

It is important that you read this Policy and familiarize yourself with these standards, policies and procedures so that you will be able to identify ethical issues that may arise during the course of your employment, as well as potential and actual violations of the Policy. Every employee shall be responsible for signing a Business Conduct Policy Awareness Certification, a copy of which is attached to the Policy as **Exhibit A**, stating, among other things, that the employee has read and understand the policies, standards and procedures set forth in the Policy. Every employee shall also be responsible for signing an Annual Compliance and Ethics Survey and Disclosure Statement, a copy of which is attached to the Policy as **Exhibit B**, to be completed as part of our annual compliance review.

**Any employee or agent who has any concerns regarding any acts or transactions that may be in violation of this Policy or any other aspect of the Program should immediately report the situation to the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward’s Vice President of Human Resources.** Hayward encourages prompt reporting of any potential violations and assures its employees that there will be no reprisal or retaliation of any kind against any employee who makes a good faith report of an actual or potential violation of this Policy or any illegal and/or unethical conduct, or any employee who seeks clarification or guidance regarding any such violations.

Only by strictly adhering to the highest levels of ethical business conduct can Hayward provide the highest quality of products and related services and maintain and enhance its reputation for integrity, fairness and unyielding commitment to full compliance with the law.

Thank you in advance for helping us to maintain a safe, responsible and ethical workplace.

KEVIN P. HOLLERAN  
PRESIDENT & CEO  
HAYWARD HOLDINGS

## **CHAPTER ONE**

### **COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

Hayward's success and reputation are built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of Hayward is dependent upon the trust that its customers and the community place in the Company, and Hayward is dedicated to preserving that trust. Every employee owes a duty to Hayward to consistently conduct themselves in a manner that will earn the continued trust of the public.

The use of sound judgment and common sense, together with the policies and procedures that are memorialized in this Policy, should guide Hayward's employees and agents at all times in discharging their responsibilities on behalf of the Company. This Policy will assist you as an employee, as well as the Company, to insure that we maintain good business practices, and obey all civil, regulatory, and criminal laws. Disregarding or failing to comply with these standards and procedures may lead to violations of the law, civil and criminal liability, and disciplinary action, up to and including termination of employment.

It is Hayward's policy to comply with all applicable federal, state and local laws and regulations in every jurisdiction in which Hayward conducts business. Any employee who has any questions, concerns or comments regarding these or other applicable laws and regulations, should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

PLEASE NOTE THAT NOTHING IN THIS POLICY CREATES OR IS INTENDED TO CREATE A PROMISE OR GUARANTEE OF CONTINUED EMPLOYMENT, OR EMPLOYMENT FOR ANY SET PERIOD OF TIME, FOR ANY EMPLOYEE. ABSENT A WRITTEN CONTRACT BETWEEN AN EMPLOYEE AND HAYWARD STATING OTHERWISE, EMPLOYMENT WITH THE COMPANY IS "AT WILL," WHICH MEANS THAT AN EMPLOYEE'S EMPLOYMENT MAY BE TERMINATED AT ANY TIME BY EITHER THE EMPLOYEE OR THE COMPANY, WITH OR WITHOUT CAUSE, AND WITH OR WITHOUT NOTICE.

#### **A. Company Books and Records**

##### **1. Accuracy of Corporate Documents**

All information regarding Hayward's operations and Hayward's financial position must be recorded in accordance with the requirements of law and generally accepted accounting principles. Every Hayward employee likely records information of some type that is used for business purposes within the Company. Since the maintenance of accurate records is critical to Hayward's business operations and the quality of the products it sells, every employee is required to record and report all information accurately and in a timely fashion.

It is Hayward's policy to fully and fairly disclose the financial condition and business operations of the Company in compliance with the applicable accounting principles, laws, rules and regulations of each applicable jurisdiction in which Hayward conducts business. Honest, accurate and timely recording and reporting of information is essential to Hayward's ability to make responsible and informed business decisions.

The Company's financial records include, without limitation, financial statements, employee time sheets, payment and expense records, and payroll and employee records. **All of Hayward's employees have a responsibility to ensure that the Company's financial records are accurate and complete and do not contain any false or intentionally misleading entries.** The making of knowingly false or fictitious entries in Hayward's books, time sheets and other financial records is strictly prohibited. Employees are prohibited from opening or maintaining any undisclosed or unrecorded Company funds or assets or any accounts with a misleading purpose. The accuracy of information on which Hayward's accounting and financial records is based is the responsibility of every employee of the Company.

**Examples:**<sup>1</sup>

- A manager inflates the number of hours his employee worked.
- An employee submits an expense reimbursement containing inflated expenses or expenses that the employee never incurred.

**2. Retention and Destruction of Records**

Under federal and state law, Hayward is required to maintain certain types of corporate records for a specified period of time. It is, therefore, the policy of the Company to identify, maintain, and safeguard corporate records required for the conduct of the Company's business to facilitate the prompt and accurate retrieval of records, and to ensure compliance with all legal and regulatory requirements. Each employee is charged with the obligation to see that *this* policy is carried out. Failure on the part of the Company's employees to follow the Retention of Records Policy may result in possible civil and criminal sanctions against the Company and its employees, and possible disciplinary action against the responsible individual(s), including, without limitation, termination.

For further details regarding Hayward's retention and destruction of documents policies, please refer to Hayward's Document Retention Policy. Any employee who has any questions, concerns or comments regarding the Company's recordkeeping and retention of records policies or procedures, should contact the Human Resources Manager at the facility where the employee works or,, if the employee works from home, Hayward's Vice President of Human Resources.

**B. Equal Employment Opportunity**

Hayward has a long standing record of nondiscrimination in employment and opportunity because of ancestry, race, color, age, religion, marital status, sex, affectional or sexual orientation,

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<sup>1</sup> Examples provided within the Policy are included for illustrative purposes only and do not constitute a complete list.

national origin, handicap, atypical hereditary cellular or blood trait, familial status, gender identity and expression, domestic partnership status, civil union status, genetic information, citizenship, service in the armed forces, or any other characteristic protected by applicable state and federal law. Hayward has issued the following policy stating the Company's views in this matter. It is the policy of Hayward to:

- (a) Strictly follow personnel procedures that will ensure equal opportunity for all people without regard to ancestry, race, color, age, religion, marital status, sex,, affectional or sexual orientation, national origin, handicap, atypical hereditary cellular or blood trait, familial status, gender identity and expression, domestic partnership status, civil union status, genetic information, citizenship, service in the armed forces, or any other characteristic protected by applicable state and federal law;
- (b) Comply with all relevant and applicable provisions of the Americans with Disabilities Act. Hayward will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person's physical or mental disability;
- (c) Make reasonable accommodations wherever necessary for all employees or applicants with disabilities; provided that the individual is otherwise qualified to safely perform the duties and assignments connected with the job and provided that any accommodations made do not require significant difficulty or expense.
- (d) Achieve understanding and acceptance of Hayward's policy on Equal Employment Opportunity by all employees and by the communities in which Hayward operates;
- (e) Thoroughly investigate instances of alleged discrimination and take corrective action if warranted; and
- (f) Be continually alert to identify and correct any practices by individuals that are at variance with the intent of the equal employment opportunity policy.

If an employee feels that he/she has experienced discrimination, the employee should report the incident immediately to the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any employee found to have discriminated against a fellow employee or subordinate will be subject to severe disciplinary action or possible discharge. Hayward will not retaliate against any employee who makes a good faith report of alleged discrimination, even if the employee was in error.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may involve discrimination, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

### C. Sexual And Other Workplace Harassment

Hayward's policy is to provide a work environment that is pleasant, comfortable, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment can take many forms. It may be but is not limited to: words, signs, jokes, pranks, intimidation, physical contact or violence. **Harassment of any sort, whether it is verbal, physical, or visual will not be tolerated.**

Sexual harassment may include unwelcome sexual advances, requests for sexual favors, other verbal or physical contact of a sexual nature when such conduct creates an intimidating environment, prevents an individual from effectively performing the duties of their position, or when such conduct is made a condition of employment or compensation, either implicitly or explicitly.

Please note that Hayward's policy against harassment is not limited to conduct that is sexual in nature. The Company prohibits harassment based on any of the characteristics referenced above in the Company's Equal Employment Opportunity policy statement, such as harassment based on an employee's race, age, religion or disability, just to name a few.

Each Hayward employee, is responsible for keeping Hayward's work environment free of harassment. If an employee becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, the employee must report it to the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. When Hayward becomes aware that harassment might exist, it is obligated to take prompt and appropriate action.

If an employee feels that he or she has experienced harassment, the employee must report the incident immediately to the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. Any employee found to have harassed a fellow employee or subordinate will be subject to severe disciplinary action or possible termination of employment. Hayward will not retaliate against any employee who makes a good faith report of alleged harassment, even if the employee was in error.

Hayward's policy against harassment applies to all Company employees whether related to conduct engaged in by fellow employees, supervisors, officers or someone not directly employed by or connected to the Company (e.g., harassing conduct by an outside vendor, consultant or customer directed at an employee of the Company).

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may involve sexual and/or other workplace harassment, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

## **D. Health, Safety and Environment**

Hayward is committed to providing work facilities that are safe for its employees, business contacts and any other visitors at Hayward's premises. Safety and health is the responsibility of every employee and must be considered in every task performed. The Company intends to fully comply with environmental, health and safety laws, regulations and relevant industry standards of practice in every jurisdiction where Hayward does business. Hayward employees should take all actions as are reasonable and necessarily consistent with the protection of health, safety and the environment.

All Hayward employees are required to become familiar with the particular environmental, health and safety laws and regulations that may affect their work. Hayward encourages all of its employees to raise any health, safety or environmental concerns, suggestions or other ideas with their immediate supervisors and/or the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. All employees are responsible for contributing to and maintaining a safe and healthy workplace for all employees by following safety and health rules, policies and practices, and reporting accidents, injuries and unsafe equipment, practices and conditions.

Hayward is also committed to providing its employees with a working environment free from violence. All employees are prohibited from engaging in any violent, threatening, intimidating or other similar behavior in the workplace. Firearms, weapons, explosives and other dangerous or hazardous devices or substances are strictly prohibited on Hayward's premises (including Company vehicles and private vehicles on Company property) or elsewhere while on Hayward business, unless the employee receives prior approval from the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

All threats of violence, or actual use of violence, either direct and indirect, by any employee, customer, supplier or other individual **must be reported immediately**. Similarly, all employees must report all suspicious activities or individuals encountered on Hayward's premises or elsewhere while on Hayward business. Employees are encouraged to raise any dispute or difference with other individuals to the attention of their supervisor before the situation escalates into potential violence.

Any employee with any questions, concerns or comments regarding the Company's health, safety and environment policies or procedures, or who otherwise observes any safety concerns or unusual or suspicious behavior by a co-employee or anyone else on Company property, should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

## **E. Fraudulent Conduct**

Hayward is committed to a policy of prohibiting, reporting and investigating suspected fraud, theft, misappropriation, commercial bribery and other similar irregularities. Hayward shall take all actions as are reasonable and necessary to carry out this policy.

Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her detriment. Actions constituting fraud include, without limitation:

- (a) Misappropriation of funds, supplies or other assets;
- (b) Impropriety in the handling or reporting of money or financial transactions;
- (c) Intentional duplicate billing or overbilling;
- (d) Use of Company assets, data or intellectual property for personal financial gain;
- (e) Providing kickbacks, rebates, commission or other similar unlawful or improper remuneration to any individual or entity to obtain or retain business; and
- (f) Creation of fictitious vendors for billing.

Any employee with any questions, concerns or comments, or who is otherwise unclear whether a particular situation may constitute fraud, should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

#### **F. Privacy and Security Laws**

All of Hayward's employees must protect individual medical, financial and other sensitive personal information that Hayward obtains from or maintains regarding its employees or customers to the extent required by law, including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

Any employee with any questions, concerns or comments regarding the Company's privacy laws policies or procedures should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

#### **G. Fair Dealing**

It is Hayward's policy to deal fairly and honestly with Hayward's competitors, suppliers, fellow employees and customers at all times. Federal and state law prohibits unfair methods of competition and unfair or deceptive acts and practices. Accordingly, no employee of Hayward should engage in manipulation, concealment, deception, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice. Statements made by or on behalf of Hayward, including those made in advertising, sales presentations and promotional materials, must be truthful and have a reasonable basis in fact. Hayward will not compete in the marketplace by misrepresenting competitive services and products.

## **Examples:**

- An employee makes affirmative claims concerning services or products without a reasonable basis to do so.
- An employee makes a false or disparaging claim or comparison regarding a competitor or their services.

Any employee with any questions, concerns or comments, or who is otherwise unclear whether a particular situation may constitute unfair dealing, should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

## **H. Antitrust Laws**

The fundamental objective of the antitrust laws is to protect and promote free and fair competition. These laws reflect the belief that in a marketplace characterized by honest and vigorous competition, the most innovative and efficient firms will thrive, scarce resources will be allocated to their most valued uses, and consumers will have the best products and services available at the lowest price. Hayward is committed to the fundamental public policy goals embodied in the antitrust laws and it is the policy of Hayward and the responsibility of each employee to ensure that Hayward's business is conducted in compliance with these laws.

Criminal and civil penalties for violations of the antitrust laws can be quite severe and can affect the very life of the Company and result in fines and jail terms for individual employees. At a minimum, an antitrust litigation or government investigation is burdensome, expensive and time-consuming for all concerned and will negatively impact Hayward's operations even if the outcome is ultimately favorable. These guidelines are not intended to provide employees with the means to act as their own lawyer, but to help them recognize situations and potential problem areas which might have antitrust implications. The burden is on each employee to promptly bring to the attention of the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources any circumstance with antitrust implications. Employees who fail to comply with the antitrust laws and this policy are subject to disciplinary action, including termination of employment.

### **1. Agreements with Competitors**

To preserve a competitive free enterprise system, the antitrust laws prohibit a number of activities that involve agreements and informal understandings between competitors. Hayward's employees are prohibited from entering into any discussion, agreement, or understanding with any competitor about:

- (a) prices to a third party or pricing policy with respect to a third party, including discounts, payment terms and any other term affecting price;
- (b) non-public plans to reduce, limit or increase production;

- (c) selling or refraining from selling to any customer or class of customers or in any geographic area;
- (d) refusing to do business with or terminating a business relationship with any third party, including a customer, supplier or other competitor;
- (e) costs, product or sales volume, profits or profit margins, and market shares; and
- (f) distribution methods, terms and conditions of agreements or contracts, or other confidential or proprietary information.

Even the appearance of an informal understanding on these topics may be a problem, so it is important that Hayward's employees avoid even discussing them with a competitor in any forum, including at any trade association or social gathering, or on the telephone, and immediately advise Hayward's attorneys if a competitor tries to engage them in such discussions.

## **2. Bid Rigging**

Bid rigging is the way that competitors conspire to raise prices when purchasers, including state or local government, seek to acquire goods or services by soliciting competing bids. Practices that raise "red flags" and should be avoided include last minute changes to bid documents at the time of submission, discussions with competitors immediately prior to submitting bids, and statements that a given contract "belongs" to a particular bidder. Any of the above may support the inference of an agreement to rig bids. The following types of bid rigging schemes are prohibited by the antitrust laws and should be avoided:

- (a) Bid suppression is an agreement between competitors to either refrain from bidding or withdrawing a submitted bid so that a designated competitor's bid will be accepted;
- (b) Complementary bidding, also called "cover" or "courtesy" bidding, occurs when one or more competitors agree to submit bids that are either too high to be accepted or contain special conditions that will not be acceptable to the purchaser. This includes those situations where Hayward did not intend on bidding but agrees to do so to "help out" a competitor;
- (c) Bid rotation occurs when several competitors submit bids, but take turns on being the low or winning bidder;
- (d) Subcontracting occurs when competitors agree not to bid or to submit a losing bid in exchange for subcontracts from the successful low bidder.

## **3. Dealing with Distributors, Suppliers and Customers**

Distributors, suppliers and customers are independent business concerns and, as such, are entitled to make their own decisions as to the manner in which they conduct their activities. Any attempt to deprive them of the freedom to determine prices, terms, and conditions of sale, or to place undue limitations on their freedom to operate independently, involves a risk of violating the

antitrust laws. It is always necessary when considering a restriction in a distributor, supplier or customer relationship to explore the matter thoroughly with Hayward's attorneys. Frequently, there will be a solution which will provide Hayward with the protection it needs without incurring antitrust risk.

The following categories of agreements or understandings presenting antitrust risk could arise in dealings with distributors, suppliers and customers and should be discussed with Hayward's attorneys promptly and before any action is taken on behalf of the Company:

(i.) **Refusals to Deal.** Any agreement or understanding with a distributor, supplier customer not to sell or buy from any particular business entity or class of business entities may be unlawful. Even an inference of an agreement with others to act jointly to refuse to deal must be avoided.

(ii.) **Tying Arrangements.** The antitrust laws prohibit a manufacturer with a strong market position with respect to one product or service from conditioning the sale of that product or service on the buyer's agreement to purchase other products or services which the buyer may not want. Similarly, using the leverage of one product or service in scarce supply or of unique quality to persuade a customer to buy an additional product or service is risky. The essence of the offense is a requirement that a customer purchase a product or service it does not want in order to obtain one it wishes to purchase. Hayward's employees are prohibited from requiring a customer purchasing one product or service to purchase another product or service as a condition of the sale.

(iii.) **Exclusive Dealing.** Any agreement or understanding that prohibits a purchaser from buying or selling the products or services of a competitor may be unlawful depending on its effect on competition. Also, a contract which commits a customer to purchase all or substantially all of its requirements for a particular product or service from one seller, or commit the seller to sell all or substantially all of its products or services to one customer have been attacked where a substantial share of a local or national market for the product or service is thereby foreclosed to competitors or potential competitors for a significant period of time. Arrangements that call for exclusivity or cover substantially all of a party's needs or output should be referred to Hayward's attorneys for advice before being formalized.

(iv.) **Reciprocity.** Reciprocity occurs when a company indicates to a supplier or potential supplier that it will not buy from them unless the supplier buys from the company. It can also occur when a company indicates to a customer or potential customer that the company will not sell to the customer unless the customer, in turn, sells to the company. Hayward's employees are prohibited from requiring its suppliers to buy its products or services, or indicating to customers that Hayward will sell its products or services to the customer only if the customer sells to Hayward.

#### **Examples of Conduct Prohibited by the Antitrust Laws:**

- An employee agrees with a competitor to divide markets, territories or customers between them.

- An employee exchanges pricing information with a competitor to assure each other that they will limit their price competition.
- An employee agrees with a competitor to refrain from bidding, to bid at certain prices, or submit a bid that is intentionally less favorable than a competitor's bid.
- An employee agrees with a competitor to refrain from selling to or purchasing from one or more customers or suppliers.
- An employee enters into an agreement requiring a customer purchasing a Hayward product or service to purchase another unrelated Hayward product or service.
- An employee agrees with a customer that Hayward will not sell Hayward's products to the customer's competitor.

If during any conversation with a competitor of Hayward, these or any similar subjects are mentioned in any form or manner, a Hayward employee must terminate the conversation immediately and report the situation to Hayward's attorneys so that appropriate action may be taken.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute an antitrust violation, the employee should contact Hayward's attorneys.

## **I. Immigration Laws**

Hayward is committed to employing only United States citizens and aliens who are authorized to work in the United States. Hayward does not unlawfully discriminate on the basis of citizenship or national origin.

As required by the Immigration Reform and Control Act of 1986, each applicant for employment must complete an Employment Eligibility Verification Form 1-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete a Form 1-9 if they have not completed one with Hayward within the past three years, or if their previous Form 1-9 is no longer retained or valid.

If an employee has any questions, concerns or comments regarding the Company's immigration policies or procedures, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employees works from home, Hayward's Vice-President, Human Resources.

## **J. Export Control Laws**

It is the policy of Hayward to fully comply with all export control laws of the United States and the countries where Hayward conducts business. The United States maintains a complex set of laws and regulations administered by several different agencies that govern the export and re-export of goods, technology and services from the United States. In particular, these laws and

regulations may require an export license in order to export certain products and technology and/or restrict the export of products or technology to designated destinations, end users and end uses.

Every employee has the principal responsibility for ensuring export compliance in connection with the Company's operations, including dealings with affiliates, consultants and agents outside of the United States. Failure to comply with the export controls laws and regulations could result in criminal and civil sanctions, substantial fines and the loss of export privileges.

Any employee with any questions, concerns or comments regarding the Hayward's export control policies or procedures, should contact Hayward's attorneys.

#### **K. Political Contributions and Other Political Activities**

The United States federal government, some states and some other countries have enacted laws that restrict the use of corporate funds, assets and time in connection with campaign contributions. Accordingly, Hayward's employees are prohibited from contributing money, property or services for or on behalf of the Company in connection with any such federal or state campaigns. This prohibition means that Company facilities, meeting rooms and other assets, including without limitation, secretarial time to send invitations for political fundraising events and telephone or e-mail systems to make politically motivated solicitations, may not be used for the benefit of political candidates or parties.

Hayward encourages that its employees vote and take an active interest in the political process in the countries, states and communities in which they live. Indeed, employees may make personal political contributions to candidates and parties of their choice. However, it must be clearly understood that the employee making the contribution will bear the entire responsibility and financial burden. Hayward shall not reimburse any employee for any personal political contributions or expenditures. Furthermore, no employee should make a personal political contribution with the purpose of assisting Hayward in obtaining or retaining business.

If an employee is requested to make a political contribution or to otherwise provide assistance on behalf of Hayward, or has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute an improper political contribution or activity, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

#### **L. Charitable Contributions**

Hayward is committed to participating in social projects and initiatives that further the development and welfare of our community. Accordingly, Hayward encourages that its employees to participate on their own time in local, regional or national charitable activities of their choice. However, it must be clearly understood that the employee making any charitable contribution will bear the entire responsibility and financial burden. Hayward shall not reimburse any employee for any personal charitable contributions or expenditures. Hayward's employees are prohibited from contributing money, property or services for or on behalf of the Company in connection with any charity or charitable activity.

If an employee is requested to make a charitable contribution or to otherwise provide assistance on behalf of Hayward, or has any questions, concerns or comments regarding Hayward's Charitable Contribution policy, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

#### **M. Copyright Infringement and Software Piracy**

All of Hayward's employees are required to honor the copyrights owned by others and to use copyrighted materials only as permitted by law.

Employees may only use copyrighted software and related materials as permitted by the license agreement for that software. Similarly, no employee should make copies, resell or transfer software and related materials unless expressly authorized by the license agreement for that software.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute copyright infringement or software piracy, the employee should contact Hayward's attorneys.

#### **N. Government Investigations**

It is Hayward's policy to cooperate with all reasonable requests regarding Hayward's operations from local, state and federal governmental authorities. Hayward's policy to cooperate shall be consistent with the Constitutional safeguards established for the benefit of individuals suspected of criminal wrongdoing. It is essential that employees be truthful, candid and accurate in all statements and information given to any law enforcement officials. In addition, employees should never destroy or alter documents in connection with any local, state or federal investigation. Company policy and the law protect employees from retaliatory action for good faith conduct in assisting investigations by government authorities.

If a Hayward employee becomes aware of a government investigation, the employee should contact Hayward's attorneys immediately prior to supplying any information to the authorities in order to enable Hayward's counsel to coordinate its cooperation and response to any governmental inquiry. In the United States, no government official can require an employee to provide information without the opportunity to consult first with legal counsel. It is Company policy to ensure that Hayward's responses to government inquiries and requests in all locations that Hayward conducts business are timely, complete, and accurate, and that all other necessary and appropriate steps are taken by the Company to fulfill its legal obligations.

##### **1. Subpoenas**

If a law enforcement agent or other government authority appears in person and requests information through a subpoena, it does not mean that any act of wrongdoing or crime has been committed or that the government agent has concluded that any act of wrongdoing or crime has taken place. Be advised of the following:

- (a) Hayward employees have the right and responsibility to request credentials of the agent for identification purposes;
- (b) Hayward employees have the right to speak or decline to speak to the agent, as all conversations are voluntary;
- (c) Hayward employees have the right to consult with an attorney before deciding to be interviewed;
- (d) If a Hayward employee agrees to be interviewed, the employee can insist that an attorney be present;
- (e) DO NOT turn over documents called for in a subpoena unless and until instructed by Hayward's attorneys;
- (f) DO NOT discuss the matter with the agent who served you with the subpoena; and
- (g) DO NOT discuss the subpoena or search warrant with anyone other than your immediate supervisor or Hayward's attorneys.

## **2. Search Warrants**

If a law enforcement agent or other government authority appears in person to execute a search warrant on Hayward's property, the following steps should be taken:

- (a) DO NOT interfere with the agents while they are conducting their search;
- (b) Inform the highest ranking HAYWARD employee on the premises of the situation; and
- (c) While a Hayward employee may assist an agent in locating items called for in the search warrant if requested, the employee is not required to speak to and/or be interviewed by the agent.

If you have any questions, concerns or comments regarding government investigations, you should contact Hayward's attorneys.

## **CHAPTER TWO**

### **BUSINESS CONFLICT POLICY**

#### **A. Conflicts of Interest**

Hayward's employees have a duty of loyalty that requires them always to act in accordance with the legitimate business interests of Hayward. As employment with Hayward requires a relationship of trust, honesty and loyalty, it is essential that employees and their qualified relatives be free from all conflicts of interest. A conflict of interest exists when an employee or qualified relative has a personal interest that does have, or could be perceived as having, the potential to interfere with the proper performance of his or her duties and responsibilities with the Company.<sup>2</sup>

Although it is not possible to describe all situations that might involve a conflict of interest, an employee may have a conflict of interest when the employee:

- (a) Has a financial interest that could affect his or her personal judgment;
- (b) Personally gains as a result of his or her access to confidential information;
- (c) Misuses his or her position at Hayward in a way that results in personal gain; and
- (d) Is otherwise under pressure to do what is best for Hayward, on the one hand, and pressure to do what is best for himself herself or a qualified relative, on the other hand.

If an employee believes that he or she has a conflict of interest, or is aware of a potential conflict of interest that others may have, the employee must immediately report it to the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. It is essential that all of Hayward's employees avoid any actual, apparent or potential conflict of interest unless such conflicts are specifically disclosed and approved by the Company.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute a conflict of interest, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

#### **1. Corporate Opportunities**

Employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Employees may not take advantage of an opportunity that is discovered in the course of their employment or through the use of corporate property, information or position.

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<sup>2</sup> The term "qualified relative," as used in this Policy, includes an employee's spouse, children, parents, siblings, grandparents, grandchildren, aunts, uncles, corresponding in-law, "step" relation, or any member of the employee's household.

## **2. Relationship with Vendors, Suppliers and Customers**

All employees are expected to maintain impartial professional relationships with Hayward's vendors, suppliers and customers. Hayward's employees must be motivated solely to make business transactions on terms most favorable to, and in the best interests of the Company. Due care must be exercised to avoid even the appearance of special influence being exerted on behalf of a vendor, supplier or customer due to personal relationships. Employees must not take unfair advantage of any vendor, supplier or customer through manipulation, misrepresentation, concealment or any other unfair-dealing practice.

In addition, employees should not have any interest in any vendor, supplier or customer business. Disclosure should be made where any employee or his or her qualified relative has or acquires an interest in a supplier's business.

### **Examples:**

- An employee's spouse purchases an interest in a company that could supply material and other items to Hayward. The Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources should be consulted before any business transaction with the employee's spouse's company.
- A vendor offers an employee and his or her spouse the opportunity to stay at his vacation home. The Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources should be consulted to determine whether acceptance of the offer could be perceived as an attempt by the vendor to improperly influence the employee in the performance of his or her duties.
- An employee receives a loan or a guarantee of a loan from a customer. The Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources should be consulted before any loan transaction is consummated.
- An employee receives cash or other things of value in return for promoting the services of a supplier or potential supplier. The Human Resources Manager at the facility where the employee works or, if the employee works from home,] Hayward's Vice President of Human Resources should be consulted before any loan transaction is consummated.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute a conflict of interest with respect to relationships with vendors, suppliers or customers, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

## **3. Relationships with Competitors**

No employee or his or her qualified relative should have any interest in any company that competes with Hayward without full disclosure to, and authorization from, the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. An employee making or influencing decisions in any area of Hayward's business must be motivated solely by a desire to do what is best for the Company. Disclosure should be made where any employee or his or her qualified relative or acquires an interest in a competitor's business.

In addition, employees should not perform services of any kind for any competitor of Hayward. Disclosure should be made if an employee's qualified relative performs services for any competitor of the Company. Employees must not take unfair advantage of any competitor through manipulation, misrepresentation, concealment or any other unfair-dealing practice.

### **Examples:**

- An employee working at Hayward purchases an interest in a manufacturer of residential swimming pool equipment in the same geographic area that the employee works for Hayward. The Human Resources Manager at the facility where the employee works or, the employee works from home, Hayward's Vice President of Human Resources should be consulted.
- An employee receives an offer to work part-time at night for a competitor of Hayward. The Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources should be consulted.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute a conflict of interest with respect to relationships with competitors, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

## **4. Relationships with the Government**

It is Hayward's policy to comply with all applicable federal and state laws and regulations with respect to foreign and United States federal, state and local government officials and employees and avoid interactions or situations that could result in damage to Hayward's reputation. Accordingly, Hayward's employees are prohibited from attempting improperly to influence foreign or United States government officials and employees, or give foreign or United States government officials and employees any form of payment or gift in order unlawfully to advance Hayward's interests with the foreign or United States government. Specifically, Hayward's employees are prohibited from making, offering or promising any payment, gift or anything of value that is intended to influence the action of any foreign or United States government official or employee which includes securing favorable treatment.

(i.) **Gifts to Government Officials and Employees.** Hayward has adopted a "zero tolerance policy" with respect to providing gifts to foreign or United States federal,

state and local government officials and employees. Subject to the exceptions set forth below, Hayward's employees are prohibited from providing any gifts to any foreign or United States federal, state and local government officials and employees related in any way to the government official's or employee's official public duties. A "gift" includes anything with monetary value such as meals, entertainment, travel-related expenses, gratuities, hospitality, goods, services and discounts.

The exceptions to Hayward's zero tolerance policy with respect to providing gifts to foreign or United States federal, state and local government officials and employees are: (1) modest items of food and refreshments, such as soft drinks, coffee and donuts, offered other than as part of a meal; and (2) unsolicited gifts or benefits of trivial or nominal value, such as complimentary articles offered to the public in general, and gifts provided as a result of mass advertising mailings to the general business public.

(ii.) **Government Procurement.** Hayward's employees who are involved in government procurement activities (i.e. supplying Hayward's products or services to a governmental entity) must be intimately familiar with the laws and regulations in that area. Set forth below are examples of prohibited conduct in connection with government procurement:

- Offering, or discussing the possibility of; employment with Hayward to procurement or regulatory personnel.
- Offering, or discussing the possibility of; business opportunities with Hayward to procurement or regulatory personnel.
- Soliciting or obtaining proprietary information from procurement or regulatory personnel.
- Offering or providing gratuities or accepting "kick-backs" in connection with procurements.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute a conflict of interest with respect to relationships with the government, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

## **5. Gifts, Gratuities and Entertainment to and from Third Parties**

Hayward's employees should generally avoid any payments, entertainment or gifts to or from third parties in connection with any business dealings on behalf of Hayward. This prohibition applies to anything given to or received from a third party that could be construed to influence Hayward's business relationships. Gifts of cash or cash equivalents of any amount are strictly prohibited. The following gifts, gratuities and entertainment from third parties are considered appropriate:

- (a) If a non-cash gift has a value of \$100 or less, and is the only gift given to the employee during any calendar year by the same individual, firm or corporation, it

may be retained by the employee. A gift in excess of \$100, or several gifts received during a calendar year totaling in excess of \$200, may be permitted only if approved by Hayward's Chief Financial Officer as being appropriate given the overall circumstances. Employees must report all non-cash gifts to Hayward's Chief Financial Officer and Hayward's Vice President of Human Resources.

- (b) Employees may accept meals and entertainment where business on behalf of Hayward is conducted, such as sporting, dinner or theatre events, which are of reasonable value considering all of the relevant circumstances. Entertainment with a value over \$250 per person (or cumulative entertainment given to or from any single source valued at over \$500 per calendar year) is considered substantial. A meal or entertainment event, or several meals or entertainment events received during a calendar year totaling in excess of \$500, may be permitted only if approved by Hayward's Chief Financial Officer as being appropriate given the overall circumstances. Employees must report all gifts, gratuities and entertainment to Hayward's Chief Financial Officer and Hayward's Vice President of Human Resources.
- (c) Employees may accept advertising or promotional materials of nominal value, such as pens, pencils, key chains, calendars and mouse pads.

In appropriate circumstances, employees may entertain, at Hayward's expense, individuals representing entities that Hayward has a business relationship with where such entertainment is deemed reasonable. All entertainment and related expenses other than those incurred by employees in Hayward's Sales organization must be approved by the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources in writing, in advance. All entertainment and related expenses incurred by employees in Hayward's Sales organization must be approved by the employee's immediate supervisor. Any gifts to third parties with whom Hayward does business other than gifts by employees in Hayward's Sales organization must be approved in advance by the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. Gifts by employees of Hayward's Sales organization must be approved by the employee's immediate supervisor. Gifts of cash or cash equivalents are strictly prohibited.

If an employee has any questions, concerns or comments regarding gifts, gratuities or entertainment, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

## **B. Use of Company Property**

Hayward's resources, including physical property, communication systems and networks, information and intellectual property (i.e. trade secrets, patents, trademarks and copyrights), are provided to Hayward's employees for business use and not for personal use or gain. Hayward's employees are expected to use common sense and good judgment in the use of such property. Employees are also expected to protect Hayward's resources from loss, theft, misuse and abuse.

Personal use of Hayward's resources is permitted only if such use does not result in significant added costs, disruption of business or any other disadvantage to Hayward.

If an employee has any questions, concerns or comments regarding personal use of Company property, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

### **C. Outside Activities**

Employees are prohibited from engaging in any outside employment or other activities that interfere with the discharge of their duties and responsibilities for Hayward. If the outside employment or other activity does not compete or conflict with Hayward's interests, or otherwise reduce the efficiency of the employee in performing his or her duties and responsibilities for Hayward, such employment or activity is permissible. Employees shall not use Company time, information or resources in connection with any outside employment or other activities.

[If the Company determines that an employee's outside employment or other activity interferes with the discharge of their duties and responsibilities for Hayward, the employee may be requested to terminate the outside employment or other activity if the employee wishes to continue employment with the Company.

If an employee has any questions, concerns or comments, or is otherwise unclear whether a particular situation may constitute a conflict of interest with respect to outside employment, the employee should contact the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

### **D. Confidential and Proprietary Information**

In discharging their duties and responsibilities for Hayward, employees may access and become aware of Confidential Information that is not generally known to the public. Confidential Information includes all non-public information, such as financial records and reports, employee-related documents, computer programs and codes, marketing concepts and business strategies that may assist Hayward's competitors, or harm Hayward or its customers if disclosed.

Employees are prohibited from disclosing Confidential Information improperly or in any way that could be adverse to the legitimate business interests of Hayward or its suppliers or customers. Similarly, employees should not accept such information from competitors or other business contacts. Hayward's employees must safeguard and protect the Company's Confidential Information from disclosure to outsiders. This includes refraining from discussing or displaying Confidential Information in public places and protecting laptop computers and confidential documents from theft. All employees are prohibited from using such information for their own personal benefit, or for the personal benefit of others. Employees who improperly use or disclose confidential and proprietary information will be subject to disciplinary action, up to and including termination of employment.

If an employee has any questions, concerns or comments regarding these policies and procedures, the employee should contact the Human Resources Manager at the facility where the

employee works or, if the employee works from home, Hayward's Vice President of Human Resources.

### **1. Contact with the Media**

All media inquiries must be immediately referred to your immediate supervisor and the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources. Employees should politely, but firmly, decline to engage in any discussions with media representatives, no matter how seemingly harmless. Do not confirm, deny, or otherwise discuss information related to Hayward with anyone from the media unless directed to do so by your immediate supervisor and/or Hayward's Human Resources Department.

### **2. Contact with Attorneys**

All contact with anyone claiming to be an attorney should be immediately referred to your immediate supervisor and Hayward's attorneys. Like all companies, Hayward may become involved in legal disputes and litigation. Attorneys representing those with interests contrary to Hayward may try to contact Hayward personnel directly in an effort to obtain information. You should politely, but firmly, refuse to discuss anything with the attorney.

Hayward may also receive requests and subpoenas for records and other documentation from attorneys for use in connection with litigation, claims and other disputes that do not involve Hayward as a party. Hayward employees are required at all times to maintain appropriate customer confidentiality. All such requests for information must be directed to Hayward's attorneys.

**BUSINESS CONDUCT POLICY AWARENESS CERTIFICATION**

**NOTE: Please read the Business Conduct Policy prior to completing this form.**

I hereby acknowledge that I have received and reviewed a copy of Hayward Holdings, Inc.'s ("Hayward") Business Conduct Policy. I fully understand the policies and principles set forth in Hayward's Business Conduct Policy, and I acknowledge my commitment, as an employee of Hayward, to comply with the Business Conduct Policy. When I have a concern about potential or actual illegal and/or unethical conduct, or a potential or actual violation of Hayward's Business Conduct Policy, I will promptly report the concern to my immediate supervisor and/or the Human Resources Manager at the facility where I work or, if I work from home, Hayward's Vice President of Human Resources.

To the best of my knowledge and belief I have not engaged in any activity nor have any conflict of interest that violates the letter or spirit of Hayward's Business Conduct Policy. As of the date of this Certification, I am in full compliance with all policies and procedures established by Hayward and communicated to me including, but not limited to, those contained in Hayward's Business Conduct Policy.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ANNUAL COMPLIANCE AND ETHICS SURVEY  
AND DISCLOSURE STATEMENT**

(To be completed by all employees as part of the annual performance review)

This Annual Compliance and Ethics Survey and Disclosure Statement is utilized by Hayward Holdings, Inc. (Hayward) as part of its annual performance review of all employees. The Survey and Disclosure Statement is applicable to all Hayward employees and others who perform services on behalf of Hayward or with whom Hayward maintains substantial business dealings. Prior to responding to the questions below, please be sure that you are familiar with Hayward's Business Conduct Policy (the "Policy") and all of Hayward's policies and procedures that are pertinent to your job responsibilities.

1. Have you engaged in, or been asked to engage in, any conduct that may have been a deviation from the requirements of the Policy or any of Hayward's policies and procedures, including illegal and/or unethical conduct? (Note: If you would like your answer to this question to remain confidential, you may submit it directly to the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.)

\_\_\_\_\_ No \_\_\_\_\_ Yes (if yes, please explain)

2. Are you aware of any employees of; or persons affiliated with, Hayward who may have engaged in any conduct that may be a deviation from the requirements of the Policy or any of Hayward's policies and procedures, including illegal and/or unethical conduct? (Note: If you would like your answer to this question to remain confidential, you may submit it directly to the Human Resources Manager at the facility where the employee works or, if the employee works from home, Hayward's Vice President of Human Resources.)

\_\_\_\_\_ No \_\_\_\_\_ Yes (if yes, please explain)

3. Have you been convicted of any crimes/felonies or disorderly persons/misdemeanor offenses during the past year? (Note: when answering this question, please do not include a conviction that has been judicially dismissed or expunged or ordered sealed pursuant to law.)

\_\_\_\_\_ No \_\_\_\_\_ Yes (if yes, please provide all relevant details of the offense, description of the offense and sentence imposed)

I HEREBY AFFIRM that I have reviewed and am familiar with the Policy and all of Hayward's policies and procedures that are pertinent to my job responsibilities, and that to the best of my knowledge and belief, each of my answers to the questions set forth in this Annual Compliance and Ethics Survey and Disclosure Statement is truthful, complete and accurate. I FURTHER AFFIRM that I have reported any and all conduct of which I may have direct or indirect knowledge that may be a deviation from the requirements of the Policy or any of Hayward's policies and procedures, including any illegal and/or unethical conduct.

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Date

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Signature

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Print Name

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Office