



MARSDEN
H O L D I N G

Caring for Your Workplace

CODE OF BUSINESS STANDARDS

For all Marsden Holding, L.L.C. companies

Revised January 2021

Introduction

The growth and success of the Marsden Holding companies and their subsidiaries and operating divisions (hereinafter referred to as “the company” or “the companies”) are in large part attributable to the principles underlying their operations since their inceptions. These companies were each founded with a commitment to respect, honesty, integrity, ethics, and quality. We are proud to say our reputations and cultures still firmly reflect those principles. The companies will endure and prosper by continuing to adhere to the values and standards that have served them well.

It is important to remember that while fostering a sound business culture is led from the top, conscious steps need to be taken by leadership at the operational level to promote the culture throughout. Thus, it is incumbent upon the leaders at each company to cooperate with each other and to adhere to and enforce these business operations standards to help create a business environment founded on sound principles and enterprise-wide practices.

Statement of Our Core Values

Principles

Integrity, Intelligence, and Innovation.

Vision and Mission

To be a growth focused, value driven company. Our people are our most important asset, and we value them for more than their physical output. Their safety and well-being, both at work and at home, are of paramount importance.

Company Growth Expectations

In order to uphold Marsden’s mission, it is expected that:

- Each operating company show no less than a 6% increase in net income each year.
- Each janitorial/security branch office produce a balanced book of business with a total average gross profit greater than 16.5% of revenue.
- Special services (Emergency Services or Janitorial) and/or lines of services including LED replacement, Marsden CleanAir & Security) account for at least 10% of each branch office’s total revenue as well as have a gross profit greater than 25% of revenue.
- Each operating company should maintain 95% customer retention.
- HVAC & Window work performed at an average gross profit greater than 25% of revenue.

Company Operation Expectations

Labor Standards

It is in the best interest of the companies that we provide an adequate workforce to self-perform our services. To this end, temporary labor and overtime should be used sparingly and only under the following circumstances:

- when all other options have been exhausted; and
- usage is temporary in nature and limited to the existing need.

Overtime should not exceed 0.5% of total revenue per month. Temporary labor and subcontracting should not exceed 5% of total wages per month.

Company Revenue Generating Standards

The following business standards have been set to ensure each company is operating under sound business practices that will result in profitable business dealings.

- Every company must correctly utilize the job cost data sheet (as provided by CFO).
- Every company must use the job code (suffix) reporting structure (as provided by CFO).
- All customers, unless restricted by contract or approved by the CFO, will receive a price increase each year.

Marsden Holding Leadership and Ownership

Marsden Holding/Services manages certain business-support operations in order to ensure consistency and alignment across the companies, as well as to provide cost-effective support to the companies. These include the following:

1. **Enterprise-wide policies and procedures:** Certain policies and procedures published by Marsden Holding apply enterprise-wide. It is imperative to the enterprise-wide operations that each company adheres to and enforces the practices outlined in these policies and procedures.
2. **Safety Framework:** Each operating company will adhere to the Safety 360 Framework and show measurable performance against its Annual Environmental, Health & Safety (EHS) Action Plan, crafted in alignment with the annual Corporate EHS Objectives.
3. **Employer Sponsored Benefit Plans:** Marsden Services oversees all company sponsored employee benefit plans. This includes, but is not limited to, the following: all leave programs (including vacation, sick, and extended leaves of absence) medical and dental insurance, retirement plans, life insurance, and disability plans. Changes or additions to any company-sponsored benefit plan requires the written pre-approval of the CEO.
4. **Technology and Accounting Support:** All technology (including hardware, software, and electronic communications) and accounting processes will be uniform and managed by Marsden Holding. Neither companies nor individuals may purchase or implement any hardware, software, web or mobile applications or other technology that is not currently approved for use and/or licensed by Marsden Holding. Companies shall work with the Information Technology department to review, approve, and implement any new technology.
5. **Real Property and Leases:** The President & COO of Corporate Real Estate and Facilities Services department oversees all company real property matters, including leases. All decisions relating to a company's real property (including leases) must be made in partnership with the President & COO of Corporate Real Estate and Facilities Services. All leases new or renewed shall be reviewed by the legal department before approved for signing. All leases will be executed by the Divisional COO of their respective companies. Frauenshuh Companies will represent Marsden holding and its affiliate companies on all real-estate transactions.
6. **Financing, Brokerage and Banking Relationships:** Marsden Holding is responsible for the management and oversight of all company finance, brokerage, and banking relationships. Any changes made with respect to financing vehicles, assignment or assumption of obligations or liabilities, investment, borrowing, banking, or brokerage relationships require CEO pre-approval.

Required Approval

The list below outlines company operational or business changes that require Marsden Holding approval. The purpose of these approval standards is to ensure congruency, fairness, and transparency throughout all companies.

1. **Senior Management Positions and Compensation:** The CEO must approve the creation or termination of all positions at the Senior Management classification or above. The Senior Manager classification includes all positions that report directly to the CEO's direct reports. The annual compensation for positions at the Senior Management classification or above must be pre-approved by the CEO. Such approval shall be documented and retained in the employee's personnel file. All leadership positions participating in short-term (annual) or long-term incentive structures for offers, promotions, and demotions must be reviewed and approved by the compensation committee and all structures must be described in writing.
2. **Organizational Restructuring:** All organizational restructuring of a company department or process (i.e. changing delivery system used to service customers) requires a written business plan and CEO pre-approval. Organizational restructuring would include all hiring (whether new or replacement) of anyone Director and above within the organization. All said positions will require a management assessment be completed and should align with the company's leader competency model.
3. **Company Specific Policies:** All new or changes to company policy must be reviewed by the General Counsel of the company and he will bring it to the Policy Review Committee.
4. **Union Agreements or Discussions:** All bargaining or discussions with any union (existing or potential) will be overseen by the General Counsel or his designate and any agreement (CBA, Side Letter, Neutrality Agreement) will be approved by the CEO.
5. **Marketing and Sales Materials:** Any changes to company logos, names, uniforms, advertisements, and sales and marketing material require CEO approval.
6. **Purchases and Budget Approval:** Expenditures (such as capital expenditures), above guideline wage increases for the workforce, and purchases of more than \$10,000 require CEO or CFO approval. Such expenditures should be reviewed during the annual budget process. See Budget Review Policy (*in development*).

I hereby verify that I have reviewed and agree to the content of this Code of Business Conduct.

[Signed via Docusign or Microsoft Outlook vote button]

Printed Name / Signature

Date

RETURN THIS COMPLETED FORM TO HR FOR INCLUSION IN YOUR PERSONNEL RECORD