

WC-005: Code of Conduct

Policy WC-005 – Code of Conduct

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W.S. BADCOCK CORPORATION

CODE OF CONDUCT

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HOME FURNITURE

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I. INTRODUCTION

W.S. Badcock Corporation (hereinafter, the “Company”) values honesty, integrity, and adherence to the highest ethical standards. As associates, each of us have a responsibility for upholding these values and maintaining a commitment to basic principles of business ethics and good judgment. As part of this commitment, the Company has instituted a series of policies and procedures to re-affirm its dedication to the highest ethical standards.

Attached is the Company Code of Conduct¹ (this “Code”). This Code applies to all officers and associates of the Company. This Code embodies our values and sets forth the principles to guide our behavior. It is important for each of us to fully understand these principles and to commit ourselves to them in all our business activities. It is up to each of us to ensure that all our business relationships are conducted with integrity and honesty and reflect both the letter and spirit of this Code. A good starting point is to act with integrity in everything you do and to never engage in behavior that would undermine the reputation of the Company, your peers or yourself.

This Code reflects our values and defines the common-sense behaviors required of all of us to ensure that the Company maintains legal and ethical business practices.

We believe abiding by this Code will make the Company a better, more profitable company.

Sincerely,

Mitchell P. Stiles
President & Chief Operating Officer

¹ This Code is not a contract of employment and does not create any contractual rights between you and the Company or any of its subsidiaries. Employment at the Company is on an “at-will” basis. This means that you can terminate your employment whenever you wish, for any reason, just as the Company may terminate your employment at any time, with or without notice, for any legal reason, and with or without cause.

II. GENERAL

A. SCOPE; RESPONSIBILITIES

This Code is at the essence of the Company's management philosophy and provides an overview of standards of behavior applicable to all Company associates. It is not, however, an exhaustive statement of the Company policies and procedures, and does not address every potential scenario. When faced with questions beyond those addressed in this Code, associates are expected to follow both the spirit and letter of this Code and the Company policies and procedures that govern the issue, such as those found in our Associate Handbook. In reading this Code and the Company's policies it is important to remember that we, as the Company associates, have a duty to do the right thing under all circumstances, and this includes avoiding all situations that have even the appearance of impropriety. Taken together, this Code and the Company policies and procedures set forth the requirements for responsible behavior. The Company's management, customers, business associates, regulators and shareholders expect all Company associates to observe these high standards, to comply with laws and regulations, and to use good judgment in situations where rules may not clearly define the appropriate course of action.

B. ADDITIONAL RESPONSIBILITY FOR MANAGERS

The Company's managers are expected to exemplify the highest standards of ethical business conduct. Pursuant to the Company's open-door policy, managers must promote open discussion, treating employees with equity and fairness, and consistently making decisions in the best interest of the Company. Managers have a responsibility to create and sustain a work environment in which associates, contractors, and vendors know that behavior in accordance with this Code is expected. This responsibility includes ensuring that this Code is communicated to those associates, contractors, and vendors working for or with the manager. It also means managers are responsible for ensuring that subordinates are properly trained and familiar with policies required to do their jobs.

C. ACKNOWLEDGEMENT

Associates acknowledge their understanding and agreement to comply with this Code upon commencement of employment. Associates are required to annually re-affirm their agreement to comply with this Code and any future revisions. Refusal to complete the annual acknowledgment is a condition of employment, and refusal to do so is a terminable offense.

D. DISCIPLINARY ACTION

The Company will enforce compliance with this Code and all the Company policies and procedures through appropriate disciplinary action up to and including termination of employment and legal action. Adequate Company discipline of individuals responsible for an offense is a necessary component of enforcement. The appropriate form of discipline by the Company will be case-specific and fairly applied. A few examples of conduct that may result in discipline include: (i)

violation of the law or any Company policy, including requesting or directing others to violate the law or a Company policy; (ii) failure to report a known or suspected violation of a Company policy; (iii) failure to cooperate in an investigation of possible violations of a Company policy; (iv) retaliation against another associate for reporting a concern or violation; (v) intentional false reporting of misconduct by another associate; (vi) failure to monitor and oversee compliance with the Company policies and applicable law by subordinates effectively; and (vii) unauthorized disclosure of confidential information relating to the Company or Company associates, vendors or customers.

E. QUESTIONS AND CONTACTS

If you have any questions about this Code, a Company policy, or any suspected improper conduct, you have an obligation to contact and discuss the matter with any of the following:

- Your supervisor or department manager
- Any Company executive officer
- Human Resources representative
- Deputy General Counsel

Please see the Company directory for the most current contact information for the above-listed individuals. If you raise a concern with one of these contacts and the issue is not resolved, you should raise it with any one or more of the other contacts.

III. POLICIES

A. ACCOUNTING AND REPORTING PRACTICES

The Company and its associates must follow generally accepted accounting principles and maintain appropriate control policies and procedures. The law requires accurate and reliable business records; accordingly, all assets, liabilities, income, and expenses shall be correctly identified and accurately recorded in the appropriate corporate books of account. False or misleading entries or exclusions are unlawful and are not permitted. Management and internal and independent auditors and examiners must be given access to all information necessary for them to conduct appropriate reviews. The Company and its associates shall provide full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with the Securities and Exchange Commission and in other public filings and communications made by the Company.

Issues regarding accounting, internal accounting controls, and auditing matters should be directed to (1) the Company's ethics reporting hotline at (844) 989-1499 or website at <https://franchisegroup.ethicspoint.com> or (2) the Company's Deputy General Counsel.

B. ANTITRUST

The Company is subject to complex antitrust laws designed to preserve competition among

enterprises and to protect consumers from unfair business arrangements and practices. You are expected to comply with these laws at all times. Many situations create the potential for unlawful anti-competitive conduct and should be avoided. These include, for example:

- i. **COMMUNICATIONS WITH COMPETITORS** Unless authorized by the Deputy General Counsel in writing, associates may not discuss with competitors any Company pricing, plans, or other competitive marketing information, including relationships with our vendors. Additionally, associates may not make any agreements, directly or indirectly, with a competitor regarding price, terms, conditions of sale, boycotts, or market allocation.
- ii. **COMMUNICATIONS WITH VENDORS** The Company encourages regular communication with our vendors. However, unless authorized by the Deputy General Counsel in writing, associates may not make any agreements, directly or indirectly, with any vendors on the retail price of a product. While vendors may suggest retail pricing, the actual pricing on our merchandise is solely and always the Company's decision.

The monetary fines for antitrust violations can be high, and the cost to the Company's reputation even higher. If you have any questions about potential antitrust implications, consult with the Company's Deputy General Counsel.

C. CHARITABLE CONTRIBUTIONS AND POLITICAL ACTIVITIES

The Company encourages our associates to become involved in community activities and charitable organizations. However, no associate may bring undue pressure on another associate to contribute to a charitable organization. The Company respects the rights of our associates to participate in the political process. Indeed, engaging in the process builds a stronger community and a better political system.

However, you must at all times make clear that your views and actions are your own, and not those of the Company. Additionally, associates may not use Company time or resources to support personal political activities or use their position to coerce or pressure associates to make contributions or support a candidate or political cause.

D. COMMERCIAL BRIBERY

No Company associate may directly or indirectly pay or receive a bribe or kickback intended to influence business conduct. The Company further prohibits any activity that creates the appearance of improper conduct.

Nothing of value may be given or received by a Company associate to bribe or influence a decision by the Company or a vendor, supplier, subcontractor, competitor (or their agents), or governmental official or their representatives. A Company associate may never accept from a vendor any personal services, promise of employment, samples for personal use, or money or its

equivalent.

E. COMMUNICATIONS

- i. **WITH GOVERNMENTAL AGENCIES** The Company regularly and routinely cooperates with all governmental agencies, including requests for information and facility visits. The Company's Legal Department will represent the Company in such situations and will determine what information is appropriate to supply to investigators. If you are contacted by any governmental agency you should contact the Company's Deputy General Counsel immediately for assistance.
- ii. **WITH THE MEDIA** To ensure consistent, accurate delivery of the Company information, associates are not authorized to answer questions from the news media, securities analysts, or investors on behalf of the Company. When approached for information, you should refer the person to the Company's Chief Marketing Officer.
- iii. **WITH VENDORS** The Company encourages regular communication with our vendors. However, a Company associate should not provide any information to a vendor that could provide an advantage to the vendor in negotiating terms of its relationship with the Company. Special rules are applicable to certain Company vendor relationships. You must contact the Company's Deputy General Counsel if you are uncertain about how and when these rules apply. If you are involved in proposals, bid preparations or contract negotiations, be certain that all statements, communications, and representations you make are accurate and truthful. Make sure all relationships with vendors and suppliers are conducted at arms-length and are based on objective criteria, fairness, and the best interest of the Company. Information regarding a competitive bidding process which is not formally communicated to all vendors involved in the bidding (such as where a vendor's proposal stands relative to other bidders or what changes would have to be made to the vendor's proposal for the vendor to be awarded the business) should never be disclosed to a vendor.
- iv. **WITH EACH OTHER AND THE PUBLIC** Each associate is responsible for maintaining professionalism when communicating with each other and the public. You can enhance or injure the Company's image with every written, verbal, or electronic communication.

Company associates should not engage in communications that are distasteful, obscene, or defamatory.

F. CONFIDENTIAL INFORMATION AND PRIVACY

While working at the Company, and after you cease employment with the Company, you must protect confidential, non-public information that you obtain or create for the Company. You must take precautionary measures to prevent unauthorized disclosures of confidential information and

follow the Company's Information and Security Policy posted on The Roost in handling all such confidential information. This includes ensuring that access to work areas and computers located in the corporate office, all store locations (Company-owned or Dealer owned) or any remote location where associates perform work on behalf of the Company, is properly controlled, and refraining from discussions of sensitive matters in public places, such as elevators, hallways, restaurants, restrooms, etc. You must not disclose proprietary or confidential information about the Company, vendors, or customers, to anyone (including other associates) not authorized to receive it or with no need to know the information (and except as described below). Not disclosing confidential information means not communicating the information by any means including, without limitation, orally, in writing, or electronically (e.g., in person or via telephone, mail, fax, email, Internet "chat rooms" or social networking websites, posting to community bulletin boards, or otherwise). In addition to the foregoing, you are also prohibited from using any proprietary or confidential information for any unauthorized purpose, including for your own personal gain.

Company associates agree and acknowledge that a violation of the covenant of confidentiality contained in this section of the Code will cause irreparable damage to the Company, and that it is and will be impossible to estimate or determine the damage to the Company. Therefore, Company associates further agree that, in the event of any violation or threatened violation of such covenant of confidentiality, the Company will be entitled to an injunction issued by any court of competent jurisdiction restraining such violation or threatened violation by a Company associate. Such right to an injunction to be cumulative and in addition to whatever other remedies the Company may have at law or equity. This clause shall survive the termination employment that is covered by this Code of Conduct.

- i. **COMPANY INFORMATION** By way of illustration, Company confidential and proprietary information includes: (i) all Company system information and processes; (ii) all non-public information about the Company's operations, results, strategies or projections; (iii) all non-public information about the Company's financial information, budgets, business plans, business processes, and vendor relationships; (iv) all non-public information about the Company's technology systems; (v) all customer lists, dealer information developed through the exclusive efforts of Company employees based on customer needs, employee data (other than a Company associates own) and (vi) all other non-public information received during the course of the Company's associate's employment, whether about customers or vendors.
- ii. **ASSOCIATE INFORMATION** The Company will comply with all applicable laws and regulations regarding the privacy of associate information, including the privacy of associate medical information.

- iii. **PRIOR EMPLOYER INFORMATION** The Company recognizes that its associates may have had access to a prior employer's confidential or proprietary information, including arising from employment with the Company's current or former parent company or current subsidiaries. All associates must respect the confidential nature of that information and not disclose it in connection with employment at the Company.
- iv. **VENDOR INFORMATION** Our vendors are our business associates. In addition to being obligated to not disclose non-public Company information to our vendors, you must also respect the confidentiality of any non-public proprietary information given to you by a vendor. For example, you may not share pricing data among competing vendors.
- v. **CUSTOMER INFORMATION** The Company respects the privacy of our customers. You must maintain the confidentiality and privacy of all personal, nonpublic information of our customers in accordance with all applicable laws, including customer financial information and medical information, and, as associates, you are expected to employ all necessary physical, electronic, and procedural safeguards to ensure such compliance.
- vi. **COMPETITIVE INFORMATION** The Company is involved in a very competitive business and we are always looking for a competitive edge, but we are committed to obtaining that competitive edge in an honest and ethical manner. Company associates shall not collect competitive information in an unethical or illegal manner and will not deal with vendors who attempt to use such inappropriately gathered information as an incentive to gain our business.
- vii. **NO PROHIBITION** Nothing in this Code or elsewhere will be construed to prohibit Company associates from filing charges with, reporting possible violations to, or participating or cooperating with any governmental agency or entity, including the Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission, the Department of Labor, Congress, or any agency Inspector General, or making other disclosures that are protected under the whistleblower, anti-discrimination, or anti-retaliation provisions of federal, state, or local law or regulations, and no filed charge, report, or disclosure will require the Company associates to forfeit or otherwise pay to the Company any resulting whistleblower award or other applicable compensation provided under applicable federal, state, or local law or regulation. Company associates do not need the prior

authorization of the Company to make any such charges, reports or disclosures, and the Company associates are not required to notify the Company that such charges, reports or disclosures have been made. Company associates may not disclose Company confidential information that is protected by the attorney-client privilege except as expressly authorized by law. Additionally, nothing in this Code is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment.

G. CONFLICTS OF INTEREST/PERSONAL BENEFITS

As an associate, you must be sensitive to any activities, interests or relationships that might interfere with, or even appear to interfere with, your or any other associate's ability to act in the best interest of the Company. Because it is impossible to describe every potential conflict, the Company relies on your commitment to exercise sound judgment, to seek advice when appropriate, and to adhere to the highest ethical standards in the conduct of your personal and professional affairs.

- i. **GIFTS, MEALS, ENTERTAINMENT** Except as expressly permitted below, associates may not accept gifts or the conveyance of anything of more than nominal value, including entertainment such as tickets to sporting events, from a vendor (as used in this Code, "vendor" means a current or prospective vendor and includes vendors of merchandise, supplies, equipment, software or any other commodity, consultants and service providers, and any other type of entity or organization that the Company may transact business with) absent pre-approval of your manager and the Deputy General Counsel.

You must never accept a gift under any circumstances and regardless of value if it could appear to others that your business judgment has been compromised. Similarly, you must not allow a family member, close friend, or other person with whom you have a close personal relationship to accept gifts, services, or preferential treatment from any vendor in exchange for a past, current, or future business relationship with the Company.

- a. **Gifts You must never request or encourage a vendor to provide a gift, regardless of value.** In situations where it is customary or conducive to maintaining good business relationships, it is permissible to accept infrequent, non-cash gifts of **Nominal Value** which have been offered by a vendor. For the purposes of this Code, "Nominal Value" shall be defined as having an insignificant value that does not influence business decisions being made. Company associates should return non-perishable gifts and donate perishable gifts to a charitable organization or share them with other associates if they are not nominal.

- b. Business meals Although it is common to conduct business over lunch or dinner, you must use good judgment when allowing a vendor to pay for a meal. ***Reasonable business meals at which the giver is present are permissible if occasional rather than frequent and the value of the meal is appropriate to the circumstances.*** Avoid lavish or excessive meals where acceptance could create the impression of favoritism.
 - c. Business entertainment the Company associates may accept occasional offers of business-related entertainment, including tickets to a sporting event or concert if the gift is of Nominal Value
 - ii. **TRAVEL, CONFERENCES** Unless approved by the Deputy General Counsel, travel or lodging should not be paid for by a vendor. If you are offered travel or lodging from a vendor and (i) it is not for entertainment or recreational purposes and (ii) you believe there are valid business reasons for accepting such offer, you must first obtain the approval of your manager and then request approval from the Deputy General Counsel. The request for approval must come from your manager, evidencing his or her approval of the request, and must include your name and position at the Company, the nature of the travel and lodging and your business reason for wanting to accept the offer. The request to accept the accommodations will be approved or denied by the Deputy General Counsel.
 - iii. **FAMILY / FRIENDS** A conflict of interest may arise if you have a family member, close friend, or other person with whom you have a close personal relationship who is employed by, or has an interest in, a vendor. Family members include siblings, parents, children, spouses, and in-laws, and may also include other family members depending upon the nature of the relationship.

If you have a family member, close friend, or other person with whom you have a close personal relationship who has an interest in or is employed by a competitor or a vendor, you are required to disclose the nature of the relationship to your business units Vice President and the Deputy General Counsel. If you are at all unsure as to whether a conflict of interest exists due to a business relationship involving any such person, you should discuss the relationship with your supervisor and the Deputy General Counsel for a determination of whether the engagement would present a conflict of interest and the best course of action.
 - iv. **OUTSIDE EMPLOYMENT** The Company prohibits all salaried associates and all hourly associates with management responsibilities from working for or receiving payment from any vendor or competitor of the Company. A conflict of interest may also arise if an associate's outside employment activities are so demanding that they interfere with the associate's responsibilities to the Company. In no event should an associate be engaged in other employment activities on the Company time or while using the

Company resources. An associate must disclose any outside employment to the associate's supervisor, and if the supervisor has any questions the associate should contact the Company's Deputy General Counsel for guidance.

- v. **FORMER ASSOCIATES** Unless you have received written approval from your area's senior manager and from the Deputy General Counsel, you may not engage in any Company-related business with a former Company associate for at least twelve months following the date the former associate ceases employment with the Company, unless otherwise permitted by applicable law.
- vi. **DISCLOSURE** The best way to avoid an embarrassing—or even a job threatening—situation is to disclose any situation that may have the potential to be misinterpreted by others. If you have any questions about an actual or potential conflict of interest, including the appropriateness of accepting a gift or invitation, you should discuss the matter with your supervisor and the Deputy General Counsel.

H. CUSTOMS AND IMPORT

Several U.S. laws restrict or prohibit trade with certain countries. You are expected to comply with all U.S. export restrictions, as well as applicable export control laws of each country in which the Company business is conducted.

You must also comply with the Foreign Corrupt Practices Act, which prohibits the Company from directly or indirectly offering or authorizing payment of money or anything of value to foreign governmental officials, parties, or candidates for the purpose of influencing the acts or decisions of foreign officials. If you have any questions, please consult with the Company's Deputy General Counsel.

I. ENVIRONMENTAL LAWS

The Company is committed to being an environmentally responsible corporate citizen. You are expected to comply with or exceed all applicable laws and regulations related to the environment in each of our facilities. We encourage associates to minimize the impact of the Company's business operations on the environment with methods that are socially responsible and economically sound.

J. FRAUD

It is the policy of the Company to comply with the law and to maintain accurate records of its business. All associates are responsible for recognizing and reporting fraud, falsification of records, or other irregularities. Managers should become familiar with the types of irregularities that might occur in their area of responsibility and must establish standards and procedures designed to prevent and detect irregularities.

Fraud applies to any irregularity or suspected irregularity related to the Company business and

involving associates, vendors, or persons providing service or materials to the Company. Irregularities include, but are not limited to, the following:

- i. Forgery or alteration of any document
- ii. Misappropriation, destruction, or disappearance of funds, inventory, supplies or other Company assets, whether tangible or intangible
- iii. Impropriety in the handling or reporting of financial transactions
- iv. False, fictitious, or misleading entries or reports
- v. False or misleading statements to those conducting investigation of irregularities

Associates must immediately report all suspected irregularities and acts of fraud to the Company's Ethics Hotline or to the Deputy General Counsel. The Company's ability to investigate and remediate fraud successfully depends on prompt and confidential reporting. If you suspect fraud, do not discuss the matter with any of the individuals involved, do not attempt to investigate, or determine facts on your own, and do not discuss your suspicions with anyone unless specifically directed or authorized to do so by a member of the investigations team.

All investigations under this Code, including those regarding allegations of fraud or other irregularities, will be under the direction of the Deputy General Counsel, who will coordinate with Human Resources and others, as necessary and appropriate.

Associates must cooperate with all investigations and provide accurate and truthful information. Associates must not disclose or discuss the fact that an investigation is being conducted or has been conducted and must not disclose the results of any investigation to anyone except those persons in the Company or law enforcement who need to know in order to perform their duties, or except as otherwise required by law.

K. GOVERNMENT CONTRACTS

Special rules and regulations apply to companies conducting business with the government. Before engaging in any sales to federal or state governmental agencies or entering into any other business relationship with these agencies, you must consult with and obtain the approval of the Company's Deputy General Counsel.

L. INTELLECTUAL PROPERTY

The Company owns all inventions, discoveries, ideas, trade secrets, and original works of authorship that an associate conceives or develops either alone or jointly with others during the course of employment with the Company or using the Company resources, to the fullest extent provided by law. As an associate, you agree to help the Company document the Company's ownership of this intellectual property, which includes: (i) promptly and completely

communicating to the Company management your conception or development of its intellectual property; (ii) maintaining current and appropriate notes, sketches, and other records thereof; (iii) assigning to the Company all right, title, and interest in such intellectual property; and (iv) performing all acts and, on request, executing all necessary and appropriate documents to enable the Company to obtain all right, title, and interest in and to such intellectual property and whatever other legal protection the Company deems appropriate.

The Company has the sole right to determine the terms and conditions of any disposition of its intellectual property, which may be made with or without monetary compensation, and you have no right to share in any monetary compensation or other receipts resulting from the intellectual property.

You agree to abide by copyright laws and avoid unlawfully infringing on copyrighted materials of third parties in violation of such copyright laws.

M. PRODUCT SAFETY

The Company is committed to offering quality, safe products. The Company may be subject to monetary penalties, costly litigation, and negative publicity for violating product-safety laws. If you see or suspect any product-safety violations, you should immediately report it to ensure that unsafe products are removed from sale to the Company's Deputy General Counsel.

N. SECURITIES LAWS

All associates are required to comply with the federal laws and this Code regarding the disclosure and use of material non-public information. Anyone who possesses material non-public information and who buys or sells stock or other equity securities of the Company or any other public company, or "tips" another investor, may be liable for damages, civil and criminal penalties and may also be subject to disciplinary action by the Company. In order to avoid violations of law or this Code, you should follow these specific guidelines:

- i. **INSIDER TRADING** It is illegal to trade in securities based on inside information. Inside information is any information about the Company or another company that has not reached the public and is likely to be considered important by investors in deciding whether to buy or sell publicly traded securities. Examples include news about the Company's financial results before it is formally released, planned actions regarding the Company stock, and unannounced senior management changes. Inside information also includes non-public information about other companies that you receive in the course of your employment.
- ii. Associates who have access to inside information hold special positions of trust and confidence, and must not abuse this trust. Never trade in securities or other property based on inside information, or "tip" others who might make an investment decision based on this information. Trading under such circumstances

is illegal, whether you trade for your own benefit or for the benefit of others. Do not take advantage of inside information when buying or selling the Company stock, options in the Company stock, or the stock of any supplier or customer of the Company or one of its subsidiaries. This applies whether you act directly or through someone else, such as a family member. Stricter standards apply to officers and certain other manager-level associates.

Additionally, all associates are required to comply with the Franchise Group, Inc.'s Insider Trading Policy as adopted by the Company. A copy of the Insider Trading Policy is available on The Roost.

Contact the Company's Deputy General Counsel if you have any doubts about the information you use to help make buying or selling decisions regarding the Company or the Franchise Group, Inc.'s stock.

O. USE AND PROTECTION OF COMPANY ASSETS

During the course of employment with the Company, associates are entrusted with numerous assets belonging to the Company. These assets include not only cash and financial assets, but also computers, telephones, supplies, inventory, and other equipment and technology belonging to the Company. These assets are intended for the Company business use, and you have a responsibility to protect these assets and follow the Company's Information and Security Policy in handling Company Assets. Personal use is generally limited and must not violate any Company policy or applicable law. The use of personal computing devices or company-approved personal devices at the corporate office, store (Company-owned or Dealer owned), or any remote location where associates perform work on behalf of the Company, is prohibited for transacting any customer orders and/or obtaining any customer sensitive data. Any act involving fraud, theft, embezzlement, or misappropriation of the Company assets is strictly prohibited. The Company assets such as computers, email, and telephone systems may be monitored by the Company to promote quality control and confirm appropriate use.

If separated from the Company, you agree to return to the Company all the Company property at the time of separation, including laptops, smart or other mobile phones, tablets, and any other the Company property.

Outdated, excess, or otherwise unneeded assets of the Company (e.g., supplies, fixtures, equipment, etc.) are the property of the Company and may not be disposed of without permission from the Vice President responsible for such asset or other Company Executive with authority to approve such requests. Associates may not directly or indirectly purchase such assets unless for sale at a designated selling location.

The Company will implement an appropriate Document Retention Policy that will apply to all of the Company's documents, including printed and electronic correspondence and will be posted on The Roost.

P. VENDOR SAMPLES

Samples of merchandise from vendors that are not returned to the vendor are the property of the Company. Under no circumstances may an associate accept, keep, or purchase a sample directly from a vendor. All samples must be disposed of through a sales location designated by the Company or, if not saleable, either given as a charitable donation to a charity designated by the Company under the supervision of the President.

Q. VENDOR STANDARDS

The Company is committed to doing business with vendors who conduct business ethically and legally. The Company vendors are expected to follow all of the Company's policies in effect from time to time. The Company may terminate its business relationship with any vendor refusing to comply with the Company's policies.

R. WORKPLACE

- i. **FAIR EMPLOYMENT PRACTICES AND DIVERSITY** The Company is fully committed to equal employment opportunity and compliance with the letter and spirit of the full range of fair employment practices and nondiscrimination laws, including all wage and hour laws. The Company prohibits any "off the clock" work, and strictly forbids conduct by associates that may encourage the inaccurate recording of time. In addition, we believe that diversity is critical to our success. The Company seeks to hire, develop and retain the most talented individuals from a diverse candidate pool. For further information, associates may refer to the Company's Associate Handbook.
- ii. **HARASSMENT** The Company associates have the right to work in an environment free from discrimination, harassment and intimidation, whether committed by or against a co-worker, supervisor, customer, vendor or visitor. Harassment, whether based on a person's gender, sexual orientation, race, ethnicity, religion, national origin, citizenship, age, disability, socioeconomic status or marital status, is repugnant and completely inconsistent with the Company's commitment to provide a respectful, professional and dignified workplace. Discrimination in any area of employment, including hiring, advancement, compensation, discipline, and termination, will not be tolerated. The Company also prohibits any associate from making any claim known by that associate to be false. For further information, associates may refer to the Company's Associate Handbook.
- iii. **SAFE AND HEALTHY WORKPLACE** To meet our responsibilities to associates, customers, and investors, the Company must maintain a healthy and productive

workplace. Associates must report all safety concerns or accidents no matter how slight the problem. Violence or the threat of violence will not be tolerated, whether committed by or against a co-worker, supervisor, customer, vendor or visitor. Misusing controlled substances or selling, manufacturing, distributing, possessing, using or being under the influence of alcohol or illegal substances on the job is absolutely prohibited. For further information, associates may refer to the Company's Associate Handbook.

S. REPORTING PROCEDURES

Maintaining ethical standards is the responsibility and obligation of every Company associate. Early identification and resolution of conflict of interest and other ethical issues that may arise are critical to maintaining our commitments to our customers, vendors, investors, and to ourselves and our co-workers. Company associates are expected to treat compliance with ethical standards as a critical element of their responsibilities. While this Code sets forth a wide range of practices and procedures, it cannot address every issue that may arise.

If you are unsure of what to do in a situation, you should seek additional guidance and information before you act. If something seems unethical or improper, or if you have questions regarding the best course of action, you should promptly contact any of the following:

- i. Your supervisor, department manager, or any Company officer
- ii. Your Human Resources Representative
- iii. The Deputy General Counsel
- iv. The Company's Ethics Hotline at (844) 989-1499 or website at <https://franchisegroup.ethicspoint.com>

The Company's Ethics Hotline is operated by specially trained third-party representatives. The Hotline is available 24 hours a day, 7 days a week. Hotline representatives will listen to your information and report it to the Human Resources Department and to the Deputy General Counsel, unless another member of the leadership team should be notified (for example, if the concern relates to a specific Human Resources representative or Deputy General Counsel). The Human Resources Department will determine whether any action should be taken (in consultation with the Deputy General Counsel when necessary), take all appropriate action, and notify the Deputy General Counsel as to the action taken.

It is against the Company policy to retaliate against any associate who raises a concern in good faith and, if requested and to the extent possible, every effort will be made to maintain confidentiality. All reported violations will be acted on appropriately. If your concern requires an investigation, the Company will respond promptly. If possible, you will be informed about the status of the investigation and the outcome of the matter. However, the Company has an

obligation of confidentiality to all associates, including those being investigated.

IV. SENSITIVE INVESTIGATIONS COMMITTEE

A “**Sensitive Complaint**” is a complaint with respect to the Company or any of its employees or members of the Board of Directors containing allegations that:

- Concern improprieties in accounting, auditing, financial record keeping or internal accounting controls,
- Involve conduct of officers,
- Have realistic potential to cause significant financial, legal, or regulatory consequences for the Company,
- Might reasonably result in significant adverse publicity,
- Involve the systematic violation of customer trust, or
- Concern systemic criminal conduct not otherwise covered by one of the above categories.

Any person who has or receives a complaint that he or she believes may reasonably be a Sensitive Complaint should forward that complaint immediately to the Deputy General Counsel in a manner that clearly identifies the matter as a potential Sensitive Complaint.

A. COMMITTEE MEMBERS

The Sensitive Investigations Committee shall consist of the Vice President of Human Resources, the Deputy General Counsel and the Chief Financial Officer and their designees.

B. OVERSIGHT OF SENSITIVE INVESTIGATIONS

The Sensitive Investigations Committee shall review all Sensitive Complaints and shall initiate and oversee investigations of Sensitive Complaints. The Sensitive Investigations Committee shall determine the necessity of investigations on a case-by-case basis.

- i. The Sensitive Investigations Committee shall have the authority to direct the Company internal resources (such as Internal Audit and Legal Department) to conduct such investigations. The Sensitive Investigations Committee shall also have the authority to direct the Legal Department or outside counsel to engage outside resources to conduct an investigation whenever the Sensitive Investigations Committee determines a conflict of interest exists in using the Company internal resource, or the nature of the investigation requires outside expertise or perspective.
- ii. The Sensitive Investigations Committee shall report to the President and the Chief Administrative Officer and Deputy General Counsel of the Franchise Group, Inc. Sensitive Complaint regarding accounting, internal accounting controls, or auditing matters, and shall keep the President and Chief Administrative Officer and Deputy

General Counsel of the Franchise Group, Inc. informed of the progress and results of the investigations of such matters.

- iii. A member of the Sensitive Investigations Committee who is implicated in connection with a Sensitive Complaint shall recuse himself or herself from involvement in the investigation.

The Sensitive Investigations Committee shall conduct effective investigations of Sensitive Complaints. The Sensitive Investigations Committee shall keep a complainant's identity confidential except where disclosure is required to conduct an effective investigation. The Company shall not retaliate against any individual who in good faith submits a Sensitive Complaint or participates in a Sensitive Investigation.

Confidential
gbedocs@thinkbrog.com
2023-11-02 10:59:43 -0500

ACKNOWLEDGMENT:

I certify that I have:

- Received a copy of the Company’s Code of Conduct; and
- Read, understood, and agreed to fully comply with all aspects of the Code.

I also agree to report any known or likely Code violations, as described in the Code.

Signature: _____

Name Printed or Typed: _____

Position or Title: _____

Department Name/Number: _____

Date: _____

Operating Company/Location: _____

Note: A copy of this Code of Conduct will be provided to all associates through The Roost, or other Human Resources information systems, which facilitate training and compliance with Company policies and practices. Each associate’s statement of understanding, acknowledgement, and agreement to this Code of Conduct, including all policies, attachments, and terms provided or referenced herein, will be recorded by an associate’s signature of acknowledgement.

No provision of the Code should conflict with any law. If the terms of this Code conflict with any such law, the law will prevail.

This Code is in addition to the rules and policies of the Company. See your Human Resources Representative or your supervisor for a copy of those rules, or access copies on –*The Roost*, the Company’s intranet site. Depending on your job description, you may be subject to additional rules regarding one or more topics contained in the Code. The Code is not an employment contract and does not change your employment status.