FOUNDATION BUILDING MATERIALS, INC.

EMPLOYEE CODE OF CONDUCT

Foundation Building Materials, Inc. (the “Company”) conducts its business in accordance with the highest ethical standards of corporate leadership and citizenship and expects all its employees to act in accordance with the highest standards of personal and professional integrity. This Code of Conduct (the “Code”) applies to all officers and employees of the Company, including its subsidiaries. In the conduct of Company business, all employees shall be guided by the principles described in this Code.

No code or policy can anticipate every situation or provide definitive answers to all questions that may arise. Accordingly, this Code is intended to highlight areas of ethical risk, provide guidance in recognizing and dealing with ethical issues and establish mechanisms to report unethical conduct. Additional policies and procedures that supplement those contained in the Code can be found in the Company’s Employee Manual and other governance documents which can be found on the Company’s intranet website at https://fbmsales.sharepoint.com/ under the link for “Policies.”

I. Raising Questions and Reporting Violations

Employees are responsible for adhering to the standards in the Code, for raising questions if they are in doubt about the best course of action and for reporting possible misconduct promptly after it comes to their attention. The Company’s General Counsel is responsible for interpreting and applying the Code, and can be reached at the Company’s home office at (714) 380-3127.

Unless a particular provision of the Code directs otherwise, if an employee is in doubt about the propriety of any action, he or she should discuss it with a supervisor, manager, Human Resources or the General Counsel. An employee who becomes aware of any conduct that he or she believes may violate the Code or law is expected to promptly report it to a supervisor, manager, Human Resources or the General Counsel.

Alternatively, employees may report complaints or concerns regarding accounting, internal accounting controls, auditing or federal securities law matters, or misconduct involving a member of the Company’s management as follows:

Call Whistleblower Hotline at 1-800-916-7037

Write Audit Committee
Foundation Building Materials, Inc.
2741 Walnut Avenue, Suite 200
Tustin, California 92780

Online http://irdirect.net/fbm/whistleblower_iframe

Officers should contact the General Counsel or the Chair of the Audit Committee if they have questions about the Code or wish to report potential misconduct.
Reports of potential misconduct may be made anonymously and confidentially, although individuals are encouraged to identify themselves to facilitate follow-up and investigation. Every effort will be made to protect the reporting individual’s identity. In some instances, however, it may be impossible to keep the person’s identity confidential because of the demands of conducting a thorough investigation or because of legal requirements.

II. **No Retaliation**

The Company, and applicable law, prohibit any form of retaliation for raising concerns or reporting possible misconduct in good faith. No employee will be subject to discrimination, harassment or retaliation of any kind for reporting misconduct the employee believes in good faith to be in violation of the Code, any policy or applicable law.

III. **Compliance with Laws**

It is the Company’s policy to comply with all laws, rules, regulations and Company policies. It is the personal responsibility of employees to adhere honestly and in good faith to the standards and restrictions imposed by those laws, rules, regulations and Company policies. Although no employee is expected to know the details of all these laws, rules and regulations, it is important for employees to have a general understanding of the specific laws, rules and regulations that are relevant to their areas of responsibility at the Company. Employees should contact the General Counsel if they have questions about particular legal requirements or what the law permits.

IV. **Fair Dealing and Integrity**

Employees are responsible for the integrity and consequences of their actions. Employees are expected to strive to attain the highest level of personal performance and productivity, and should treat one another with respect and courtesy. All employees are required to deal honestly, ethically and fairly at all times with their fellow employees, customers, suppliers, competitors, local communities and other third parties.

The Company seeks to obtain competitive advantages through superior performance, never through unethical or illegal business practices. Employees should not take unfair advantage of anyone through manipulation, exaggeration, concealment, misrepresentation of facts, abuse of confidential or privileged information or like practices.

V. **Conflicts of Interest**

A conflict of interest may arise when an individual’s own actions or interests interfere or appear to interfere with the interests of the Company. This includes the interests of an immediate family member or organizations with which an employee, or an immediate family member, has a significant relationship. Conflicts of interest also may arise when an individual, or a member of his or her immediate family, receives improper personal benefits as a result of the individual’s position in the Company.

Employees should avoid situations that involve, or appear to involve, a conflict between their own interests and the interests of the Company. Many conflicts or potential conflicts of interest may be resolved or avoided if they are appropriately disclosed and approved. In some
instances, disclosure may not be sufficient and the Company may require that the conduct in question be stopped or that actions taken be reversed where possible.

Employees should disclose conflicts or potential conflicts of interest to a supervisor, manager, Human Resources or the General Counsel. Officers should contact the General Counsel or the Chair of the Audit Committee.

Examples of circumstances that may create a conflict of interest are provided below. These examples are not meant to be all-inclusive and are simply meant to be illustrative.

A. Gifts and Entertainment

The acceptance of gifts and entertainment from current or potential customers or suppliers can cause a conflict of interest or give the appearance that an employee has put his or her personal interests ahead of the Company’s best interest. Taking items of value from a supplier can also increase the Company’s cost of doing business.

Our policy dictates that employees may only receive gifts, meals or entertainment of a moderate or reasonable value, and on an occasional basis, from current or potential customers or suppliers, subject to compliance with all applicable laws, regulations and Company policies. Such gifts must not influence the employee’s business decisions on behalf of the Company or place the recipient under any obligation. This policy applies to anything received as a result of an actual or potential business relationship. Subject to the above, examples of gifts and entertainment which may be accepted within reason include:

1. Tickets to sporting or cultural events where business discussions or negotiations are conducted before, during or after the event, as long as the value of such tickets is not excessive;
2. Promotional items, such as golf shirts and caps, that contain a supplier logo;
3. Mementos or other similar awards provided or paid for by customers or suppliers as recognition for participation in a particular project or matter provided the award has no intrinsic value;
4. Industry events where multiple clients or potential clients are invited or are open to the public;
5. Continuing professional education or development opportunities;
6. Meals provided or paid for by customers or suppliers where business discussions or negotiations are the main purpose of the meeting.

Also, it is important to note that these guidelines apply at all times and do not change during traditional gift-giving seasons.

There are some situations when refusing a gift would be inappropriate, awkward or cause professional embarrassment. In these situations, the employee should accept the gift and contact the General Counsel to disclose the gift and to arrange a donation of the gift to an approved charity or an alternative appropriate disposition approved by the General Counsel.

Special rules apply when dealing with government officials, and no gifts, entertainment, money services or anything else of value should be offered or given to a government official.
B. Outside Activities

The Company understands that employees participate in a variety of activities outside their work at the Company. Many outside activities, such as volunteering for a charity or participating in a community organization, are unlikely to affect an individual’s work at the Company. At the same time, employees should be sensitive to the possibility that participating in outside activities could create a conflict of interest. Examples of outside activities that could create a conflict of interest include:

- Outside employment;
- Providing goods or services to a competitor or business partner of the Company; and
- Having a financial interest in an outside supplier that provides goods or services to the Company.

C. Financial Interests

The Company respects the right of employees to manage their investments and does not wish to interfere with personal financial opportunities. However, having certain personal financial interests or engaging in certain transactions could create a conflict of interest. Examples of financial interests and transactions that could create a conflict of interest include:

- Having a personal financial interest in either a competitor or a business partner of the Company; and
- Borrowing from, or lending cash to, customers or suppliers (other than personal loans from financial institutions with which the Company maintains business relationships).

Therefore, employees are forbidden from having any ownership or management interest in any current or prospective customer or supplier of the Company, either directly or indirectly through a family member, and must disclose all such relationships to the Company in advance. The proceeding prohibition shall not apply to employees directly or indirectly having an interest in real property that the Company rents or leases for its operations.

D. Corporate Opportunities

Employees should not take, for themselves or others, business opportunities that are discovered through the use of Company property, Company information or through their position with the Company. Employees are prohibited from using Company property, information or position for personal gain and from competing with the Company.

VI. Proper Use of Assets

It is the personal responsibility of all employees to safeguard both the tangible and intangible assets of the Company, its customers and suppliers. Company assets must only be used for legitimate business purposes and may not be used for improper personal benefit or for any purpose which may compete with the business of the Company. These assets include physical property, services, business plans, customer information, employee information, supplier information, electronic resources and intellectual property. Intellectual property
includes patents, copyrights, trademarks/branding and confidential and proprietary business information.

The Company allows its employees to make inconsequential, non-business use of its resources (such as use of Company phones to receive or make limited personal phone calls), as long as this use complies with legal and ethical requirements and with all applicable Company policies. Employees are expected to use good judgment and act in a professional manner when using these resources.

VII. Confidential Information

Employees are expected to maintain the confidentiality of information that comes to them, from whatever source, during the course of performing their responsibilities for the Company, unless disclosure is required by law, regulation or legal or judicial process. This includes information about the Company and information about third parties such as current or prospective employees, customers, insureds, agents, claimants, suppliers and current or prospective business partners. Confidential information includes, but is not limited to, non-public business, financial and technical information, proprietary information, employee records, legal advice and system information. If employees are uncertain about whether information is confidential, they should treat the information as confidential until further guidance is obtained.

Company and third party confidential information should be used only for legitimate business purposes, and dissemination of the information (both inside and outside the Company) should be limited to those who have a need to know the information for legitimate business purposes. Any suspected or actual loss, theft or misuse of confidential information should be immediately reported to a supervisor, manager, Human Resources or the General Counsel.

Employees should take precautionary measures to prevent the disclosure of confidential information. Upon termination of an individual’s employment or affiliation with the Company, they will be directed to return or destroy all written or other materials in any form or medium containing confidential information. The obligation to protect confidential information continues even after the relationship with the Company ends. Similarly, employees have an obligation to protect confidential information gained from past employment or fiduciary relationships with other companies.

VIII. Insider Trading

Federal and state laws prohibit buying, selling or making other transfers of securities by persons who have material nonpublic information about a company. Even if not stockholders, these laws prohibit persons with this information from disclosing it to others who may trade. Material information generally means information that a reasonable investor would consider important in making an investment decision to buy, hold or sell securities. Nonpublic information is information that is not generally known or available to the public. Insider trading is a crime punishable by civil penalties, criminal fines and prison. Companies may also face civil penalties for insider trading violations by their employees and other agents.

Employees may not trade in the securities of any company when they are aware of material nonpublic information about that company. This policy against “insider trading” applies to trading in Company securities, as well as to trading in the securities of other
companies, such as the Company’s customers, distributors, suppliers and companies with which the Company may be negotiating a major transaction. In addition, employees may not convey material nonpublic information about the Company or another company to others, or suggest that anyone purchase or sell any company’s securities while they are aware of material nonpublic information about that company. This practice, known as “tipping,” also violates the securities laws and can result in the same civil and criminal penalties that apply to engaging in insider trading directly, even if the employee does not receive any money or derive any benefit from trades made by persons to whom the employee passed material nonpublic information.

See the Company’s Insider Trading Policy or contact the General Counsel for more information.

IX. Maintaining Books and Records and Public Reporting

Employees are expected to maintain books and records in appropriate detail to reflect the Company’s transactions accurately, fairly and completely. The Company’s policy of accurate, fair and complete recordkeeping applies to all Company records. Documentation relating to a transaction should fully and accurately describe the nature of the transaction.

As a public company, the Company files financial statements and other information with the U.S. Securities and Exchange Commission (“SEC”). Employees are responsible for the accurate and complete reporting of financial information within their respective areas of responsibility and for the timely notification to senior management of financial and non-financial information that may be material to the Company. Reports and other documents that the Company files with or submits to the SEC, and other public communications, should contain full, fair, accurate, timely and understandable disclosure.

X. External Communications

The Company strives to maintain open, honest and consistent communications. In order to facilitate the accuracy and appropriateness of all information publicly disclosed, only authorized individuals are permitted to speak with or respond to inquiries from the media, stockholders, the investment community (such as securities analysts and investment advisors) and government entities. If an employee is contacted by a member of the media, a stockholder or a member of the investment community, the employee should decline to comment and should immediately refer all inquiries to the General Counsel. Inquiries from a government entity should also be referred to the General Counsel.

The Company has adopted this policy in part to promote compliance with Regulation FD (Fair Disclosure). Regulation FD is a rule under the federal securities laws that prohibits companies from disclosing material nonpublic information to stockholders where it is reasonable to expect that they will trade on the information, and to the investment community, without also disclosing the information to the public. To promote compliance with Regulation FD, the Company permits only designated spokespersons to discuss the Company with the media, shareholders and the investment community.

See the Company’s Guidelines for Public Disclosures and Communications with the Investment Community or contact the General Counsel for more information.
XI. Political Activities

The Company encourages employees to be active in the civic life of their communities. When employees speak out on public issues, they should make sure to do so as an individual. Employees should not give the appearance that they are speaking or acting on the Company’s behalf. The Company will not reimburse employees for any personal political contributions made by the employee. In addition, employees should recognize that their work time or use of Company assets is the equivalent of such a contribution.

XII. Investigating and Addressing Potential Misconduct

The Company will treat each report of potential misconduct seriously. Upon receiving a report, the Company will promptly review the report and conduct a thorough investigation. It is the obligation of all employees to cooperate with an investigation, and employees are encouraged to provide all known facts and as many details as possible to assist with the investigation. No employee will be subject to discrimination, harassment or retaliation of any kind for assisting in an investigation of a report.

The Company views the business ethics of its employees as an important matter. The desire to achieve Company or personal objectives will not excuse wrongful activity, conflicts of interest or deviation from Company policies. Violations of the Code will result in appropriate disciplinary action, up to and including termination.

XIII. Waivers

Waivers of certain provisions of the Code will be granted only in exceptional circumstances. Employees who believe that a situation may warrant a waiver should contact the General Counsel. Any waivers of provisions of the Code for officers of the Company will be made via request to, and approved only by, the Board of Directors of the Company or a committee of the Board of Directors and will be disclosed in accordance with applicable law.