



Corporate Office – 107 W. Franklin Street P.O. Box 638 Elkhart, IN 46515-0638  
Phone (574) 294-7511 – Fax (574) 522-5213

## **PATRICK INDUSTRIES, INC.**

### **CODE OF ETHICS AND BUSINESS CONDUCT**

#### **INTRODUCTION**

As a leader in the markets we serve, we at Patrick Industries, Inc. (the “Company”) pride ourselves on not only doing our very best, but also on helping one another **BE** the very best that we can be in all that we do. That means consistently delivering value to our customers through superior service and quality products. It also means delivering financially to our stakeholders as a result of always striving toward operational excellence. But most importantly, this Code of Ethics and Business Conduct (the “Code”) has been developed to help all Patrick Team Members more clearly understand the Company’s commitment to **doing the right thing, in the right way, and for the right reasons**. The basic principles set forth in this Code are designed to guide us in our day to day activities as we all commit to doing the right thing, in the right way, and for the right reasons.

Doing the right thing at Patrick starts with taking ownership of our influence. Each one of us influences others every day with our words, actions, and attitudes. Taking responsibility for our influence is a first step toward building a healthy culture where each of us is not only willing to hold ourselves accountable to live by the standards set forth in this Code, but also willing to hold our teammates accountable to do the same. We must all be committed to building a culture where influence, responsibility, and accountability are the norm, and where these principles are acted on with the utmost respect and compassion for the individual. Of course, our actions must align with our words as we strive to exemplify our commitment to integrity in all that we do and in who we are at Patrick. In other words, as effective leaders at Patrick we must:

- Always try to **influence** those around us in the right way and for the right reasons.
- Take **responsibility** for our contribution to challenges that arise.
- Be willing to hold ourselves, our peers, and our supervisor’s **accountable** to the principles set forth in this Code.
- Be **compassionate** with our teammates.
- Be a person who sets standards high and walks the talk with **integrity**.

#### **PATRICK INDUSTRIES CORE VALUES**

As we continue to pursue a position of leadership in the markets we serve it is important that we all understand and commit to the core values defined below. These values must be considered the foundation of this Code as they are designed to clarify *how* we are to pursue success as individuals and as a team at Patrick.

- **Respect:** We are committed to fostering an environment of mutual respect founded upon mutually respectful relationships. We will treat our teammates with the utmost honor and dignity.
- **Excellence:** We are committed to being the best that we can be; in the execution of our plans and objectives and, in how we serve our teammates, our customers, our shareholders, and our communities. Ultimately, we will hold ourselves and our teammates accountable to strive to meet the highest possible standards of achievement in our work and in our working relationships.

- **Teamwork:** We are committed to maximizing our potential as individuals through teamwork centered on mutual trust, respect, and a deep desire to help our teammates achieve excellence through personal interactions that challenge, encourage, equip, empower, and inspire the individuals we work with.
- **Trust:** We are committed to establishing a culture for our Customers and team members built on trust. Trust is earned by doing what we say we will do every time and communicating with all stakeholders when we cannot keep a commitment. Trust envelops each individual team member, each team and the organization. We elicit trust through our own individual actions.
- **Balance:** We are committed to building a healthy work environment that will encourage and provide a framework for achieving excellence, happiness, and peace in both our work and our home life.

As individuals at Patrick, we must all take very seriously our responsibility to uphold these values along with all of the other guidelines set forth in this document. Our commitment to our stakeholders (employees, customers, shareholders, vendors, and communities) must not only be to exemplify these principles in our daily lives at Patrick, but to also hold our teammates accountable to do the same. Should there be any doubt as to how to handle a specific situation that you believe may conflict in any way with the content of this document, it is your responsibility to discuss the matter with your supervisor or another member of management. Should you feel uncomfortable addressing the matter in this way, you may voice or email your concern confidentially to the Audit Committee: (1) in the case of an accounting issue at [compliance@patrickind.com](mailto:compliance@patrickind.com) or at (574) 206-7796; or (2) in the case of any known or suspected illegal or unethical behavior at [ethics@patrickind.com](mailto:ethics@patrickind.com) or at (574) 206-7793.

Together, we can help one another be the BEST that we can be by not only delivering superior results, but by delivering those results *in the right ways and for the right reasons*. To do this we must be willing to hold each other accountable to the highest standards of excellence and ethical behaviors in all that we do. Ultimately, each one of us must be willing to hold ourselves accountable to not only learn the values and principles set forth in this document, but more importantly, we must all be willing to apply these principles by putting them into action in everything we do at Patrick.

## **SCOPE**

This code of Ethics and Business Conduct applies to all Patrick Industries' directors, officers, employees and independent contractors and shall be referred herein collectively as the "Team Members." Patrick Industries and any subsidiaries are referred to herein collectively as the "Company."

## **PURPOSE**

The Code of Ethics and Business Conduct serves to (1) emphasize the Company's commitment to ethics and compliance with the law; (2) set forth basic standards of ethical and legal behavior; (3) provide reporting mechanisms for known or suspected ethical or legal violations; and (4) help prevent and detect wrongdoing.

Given the variety and complexity of ethical questions that may arise in the Company's course of business, this Code of Ethics and Business Conduct should serve as a guide as to how to conduct day to day activities. When confronted with ethically unclear situations, Team Members should remember the Company's commitment to the highest ethical standards and seek advice from supervisors, general managers or other appropriate personnel to ensure that all actions taken on behalf of the Company honor this commitment.

## **ETHICAL STANDARDS**

### **1. Conflicts of Interest.**

A conflict of interest exists when a person's private interest interferes in any way with interests of the Company. A conflict can arise when a Team Member takes actions or has an interest that may make it difficult to perform his or her work for the Company objectively and effectively. Conflicts of interest may

also arise when a Team Member, or members of his or her family, receives improper personal benefits as a result of his or her position at the Company. Loans to, or guarantees of obligations of, Team Members and their family members may create conflicts of interest. It is almost always a conflict of interest for a Team Member to work simultaneously for a competitor, customer, or supplier.

Conflicts of interest may not always be clear-cut, so if you have a question you should consult with your supervisor, a general manager, or the corporate director of human resources.

## **2. Corporate Opportunities.**

Team Members are prohibited from taking for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Directors of the Company. No Team Member may use corporate property, information or position for improper personal gain and no employee may compete with the Company directly or indirectly. Team Members owe a duty to the Company to advance its legitimate interest whenever possible.

## **3. Fair Dealing.**

Team Members shall behave honestly and ethically at all times and with all people. They shall act in good faith, with due care and shall engage only in fair and open competition, by treating competitors, suppliers, customers, and colleagues in a honest and ethical manner. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosure by past or present employees of other companies is prohibited. No Team Member should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered or accepted by a Team Member or family member of a Team Member unless it (1) is consistent with customary business practices, (2) is not excessive in value, (3) cannot be construed as a bribe or payoff and, (4) does not violate any laws or regulations. The offer or acceptance of any cash gifts by any Team Member is prohibited. Team Members should discuss with their supervisor, general manager or other appropriate personnel any gifts or proposed gifts which they think may be inappropriate.

## **4. Insider Trading.**

Team Members who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of the Company's business. All material, non-public information about the Company should be considered confidential information. It is always illegal to trade in Patrick Industries, Inc. securities while in possession of material, non-public information. It is also illegal to communicate or "tip" such information to others. Information is considered material if a reasonable investor would consider it important to his or her decision to buy or sell Patrick stock. Examples of material information include: a significant upward or downward revision of earnings forecasts; a significant division restructuring; a major management change; a significant acquisition or divestiture; the gain or loss of a substantial customer or supplier, or a significant upcoming product launch. In addition to these restrictions, any employee with access to material information is also subject to "blackout periods" which restrict the dates in which company securities may be bought or sold. The typical blackout period begins two weeks or 14 calendar days prior to the close of trading on the stock market on the last trading day of each quarterly reporting period and ends after the expiration of two full NASDAQ stock market trading days following the release of the Company's earnings. Additional blackout periods may be imposed from time to time due to extenuating circumstances and must be adhered to by all applicable Team Members.

## **5. Confidentiality.**

Team Members must maintain the confidentiality of confidential information entrusted to them, except when disclosure is authorized by an appropriate officer of the Company or required by laws or

regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company. The obligation to preserve confidential information continues even after employment ends.

#### **6. Protection and Proper Use of Company Assets.**

All Team Members should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Any suspected incident of fraud or theft should be immediately reported to the Ethics Hotline at [ethics@patrickind.com](mailto:ethics@patrickind.com) or at (574) 206-7793 for investigation. The Company's equipment should not be used for non-Company business.

The obligation of Team Members to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company Policy. It could also be illegal and result in civil and criminal penalties.

#### **7. Compliance with Laws, Rules and Regulations.**

Obeing the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. In conducting the business of the Company, the Team Members shall comply with applicable governmental laws, rules and regulations at all levels of government in the United States and in any non-U.S. jurisdiction in which the Company does business. Although not all Team Members are expected to know the details of these laws, it is important to know enough about the applicable local, state and national laws to determine when to seek advice from other appropriate personnel.

#### **8. Timely and Public Disclosure.**

In reports and documents filed with or submitted to the Securities and Exchange Commission and other regulators by the Company, and in other public communications made by the Company, the Team Members involved in preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. Where applicable, these Team Members shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts or omit material necessary to avoid misleading the Company's independent public auditors or investors.

#### **9. Significant Accounting Deficiencies.**

The CEO and CFO shall promptly bring to the attention of the Audit Committee any information he or she may have concerning (a) significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal control over financial reporting.

### **WAIVERS**

Any waiver of the Code for executive officers, vice presidents and directors may be made only by the Company's Board of Directors and will be promptly disclosed as required by law or stock exchange regulations.

## **VIOLATIONS OF ETHICAL STANDARDS**

### **1. Reporting Known or Suspected Violations**

The Company's directors, CEO, and CFO shall promptly report any known or suspected violation of this Code to the Chairman of the Company's Audit Committee. All other Team Members shall promptly report any known or suspected illegal or unethical behavior to the Ethics Hotline at [ethics@patrickind.com](mailto:ethics@patrickind.com) or at (574) 206-7793. No retaliatory action of any kind will be permitted against anyone making such a report in good faith. The Company's Audit Committee will strictly enforce this prohibition.

### **2. Accountability for Violations**

If the Company's Audit Committee or its designee determines that this Code has been violated, either directly, by failure to report a violation, or by withholding information related to a violation, the offending Team Member may be disciplined for non-compliance with penalties up to and including removal from the office or dismissal. Such penalties may include written notices to the individual involved that a violation has been determined, censure by the Audit Committee, demotion or re-assignment of the individual involved and suspension without pay or benefits. Violations of this Code may also constitute violations of the law and may result in criminal penalties and civil liabilities for the offending Team Member and the Company. All Team Members are expected to cooperate in internal investigations of misconduct.

## **COMPLIANCE PROCEDURES**

We must all work together to ensure prompt and consistent action against violation of this Code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- **Make sure you have all the facts.** In order to reach the right solution, we must be as informed as possible.
- **Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?** Use your judgment and common sense. If something seems unethical or improper, you must be willing to step forward and ask the question until the issue is resolved or confirmed to fall within the guidelines of this or other applicable documents.
- **Clarify your responsibility and role.** In most situations there is a shared responsibility. Are your fellow workers informed? It is your responsibility as a Team Member at Patrick to hold yourself and your teammates accountable to uphold the standards set forth in this document. In uncertain situations it may be helpful to get others involved and discuss the problem openly.
- **Discuss the problem with your supervisor and/or another manager.** This is the basic guidance for all situations. In many cases, they will be more knowledgeable about the questions, and will appreciate being consulted as part of the decision making process. Should you still feel that the problem has not been adequately resolved you may contact another member of Senior Management, the Corporate Director of Human Resources, or Patrick Industries' Audit Committee (in the case of an accounting issue) at [compliance@patrickind.com](mailto:compliance@patrickind.com) or at (574) 206-7796.
- **You may report ethical violations in confidence without fear of retaliation.** If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the Company's legal obligations. The Company in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.
- **Ask first, act later.** If you are unsure of what to do in any situation, seek guidance before you act.