



AMERICAN BILTRITE INC.

*OUR POLICIES*

# AMERICAN BILTRITE INC. CORPORATE POLICIES

## Letter From The Chairman

### Dear Fellow Employees

Among the values that should guide us at American Biltrite, the one we often find most elusive has to do with simplicity and focus. None of us tries to deliberately complicate things, but despite our best intentions, complications do crop up in complex organizations such as ours.

The policies set forth in this booklet are about the way to achieve the maximum contribution from our businesses in an honest, ethical and effective manner. They mean what they say. They are simple and to the point.

Of course, this booklet does not provide definitive answers to all of the questions you may have about American Biltrite and its values and policies and should only be used as a guide. When in doubt, it is always best to seek additional guidance from your manager or American Biltrite's Corporate Counsel as to the most appropriate course of conduct in any specific circumstance.

## General

### **Purpose & Background**

These Corporate Policies represent a guideline to determine the way in which American Biltrite will conduct its business. The practices and procedures of American Biltrite, including its subsidiaries, divisions and affiliates, are derived from these Policies which may not be contravened.

### **Scope**

Corporate Policies apply to employees across the entire American Biltrite organization, and to employees of subsidiary companies, except for Congoleum Corporation, which as a separate public company has its own Corporate Policies. Certain policies may be modified where necessary to reflect subsidiary business activities or to conform to local cultural or legal constraints.

### **Practice & Accountability**

Practices and procedures developed by American Biltrite in support of the Policies will apply to all employees of American Biltrite. All practices and procedures must be reviewed for compatibility with Corporate Policies.

Employees who violate the spirit or letter of the Corporate Policies will be subject to disciplinary action up to and including termination of employment.

The following are examples of conduct that may result in discipline:

- Actions that violate the Corporate Policies;

- Requesting other employees to violate the Corporate Policies;
- Failure to promptly report a known or suspected violation of the Corporate Policies; and
- Failure to demonstrate the leadership and diligence needed to ensure compliance with the Corporate Policies.

### **Reporting Concerns Regarding Possible Violations of the Corporate Policies**

American Bilrite offers you many ways to get answers to your questions about possible violations of the Corporate Policies. Generally, your supervisor or manager will be in the best position to resolve the issue quickly. If, after raising the issue with your supervisor or manager, or if you are not comfortable discussing the matter with your supervisor or manager, you should raise it with the next level of management, the human resource department, or American Bilrite’s Corporate Counsel.

### **Reporting Concerns Regarding Accounting and Auditing Matters:**

Concerns about accounting and auditing matters should be reported to American Bilrite’s Compliance Officer or the Chairman of the Audit Committee in accordance with American Bilrite’s “Whistleblower Procedures.”

**Reporting Concerns Regarding Possible Insider Trading:** Information about possible violations of American Bilrite’s Insider Trading Policy should be reported to American Bilrite’s Corporate Counsel or Chief Financial Officer.

### **Waivers**

Generally, there should be no waivers of the Corporate Policies, however, in rare circumstances conflicts may arise that necessitate waivers. If an employee believes he or she will be in violation of the Corporate Policies, the employee must disclose the facts of the situation as described above under “Reporting Concerns Regarding Possible Violations of the Corporate Policies.” Any waiver of the Corporate Policies involving an executive officer must be made by the Board of Directors. Such waivers may be required to be reported promptly in American Bilrite’s filings with the Securities and Exchange Commission. Any waiver of the Corporate Policies involving employees other than executive officers must be approved by the President or the Chief Executive Officer.

### **Business Integrity & Ethics**

#### **Governing Principles**

The fundamental principle governing corporate actions and the actions of officers and other employees is that ethics and business are inseparable at American Bilrite. No business objective can be achieved without following the highest ethical standards and complying with all laws and regulations that pertain to our operations.

## **Conflict of Interest**

No officer or other employee of American Biltrite may have a personal, financial or family interest that could in any way keep the individual from acting in the best interests of American Biltrite. Any financial interests or other relationships of any employee of American Biltrite with any supplier or customer of American Biltrite is inappropriate and must promptly be reported to American Biltrite's management. Any actual or potential conflict of interest must be reported to American Biltrite management as soon as recognized. In doubtful cases, consult with your manager or American Biltrite's Corporate Counsel to determine if a policy waiver would be required and if so, whether it would be granted, before taking action.

## **Business Relationships**

Directors, officers and other employees of American Biltrite may use American Biltrite's assets, facilities or services only for lawful purposes, as authorized by a responsible representative of American Biltrite. Giving or receiving any kickbacks, bribes or similar payments of any sort to or from any customer, any other company doing or seeking to do business with American Biltrite or any governmental agency or representative is strictly prohibited.

American Biltrite employees may give or receive properly recorded courtesy gifts meant to foster understanding and communication with suppliers, customers and public officials, unless such action is unlawful.

Token tips or minor payments to government, institutional, vendor, or customer service personnel that simply facilitate service, are traditional in the country or locality, are nominal in amount, do not involve a perversion of judgment or corruption of conduct and are properly recorded are acceptable, unless unlawful. Minor payments meet this test only if, through the generation of goodwill, and not by any other means, they encourage timely performance of an act which the recipient already has a duty to perform because of some legal requirement or job responsibility.

## **Memberships**

Memberships should serve legitimate business needs. They are appropriate only in organizations whose objectives and activities are lawful and ethical and fit within the framework of broadly accepted social values.

## **Financial Integrity**

No unrecorded fund will be established for any purpose. All assets of American Biltrite will be recorded on the books of American Biltrite at all times unless specifically exempted by corporate procedures, which are consistent with generally accepted accounting principles.

- No false entry or entry that obscures the purpose of the

underlying transaction will be made in the books and records of American Biltrite for any reason.

- No payment on behalf of American Biltrite will be authorized or made with the intention or understanding that any part of such payment is for a purpose other than that described by the documents supporting the payment.

### **Insider Information**

Confidential information that may be considered material and important by investors and others will be disclosed to the public only by an authorized representative of American Biltrite. Until such disclosure, material information, often referred to as “insider information” will be held in strict confidence within American Biltrite. Insider information may concern American Biltrite, one of its subsidiaries, divisions or affiliates, or a firm with which American Biltrite does business or is negotiating. Directors, officers and other employees will not (i) disclose any insider information to any outside person or group until the information has been fully disseminated to the public, (ii) disclose insider information to other employees except on a strict need-to-know basis and (iii) take any economic or personal advantage of any insider information, such as by buying or selling stock or other securities of American Biltrite or of any other company to which the insider information may pertain. American Biltrite has two detailed policies regarding insider information, confidentiality and securities trading issues which provide directors, officers and employees with additional guidance on these issues. A copy of the policy applicable to you can be obtained from American Biltrite’s Corporate Counsel. Any departure or suspected departure from this policy must be reported to the Corporate Counsel.

### **Legal Affairs**

#### **Compliance**

American Biltrite will comply with all laws and regulations that apply to its businesses. Business and functional units will seek to ensure that employees are familiar with the laws covering their responsibilities, that employees comply with the law and that any lapse is reported promptly.

#### **Protection of Rights**

American Biltrite will take all appropriate action to protect its legal rights and will not surrender, waive or transfer those rights unless it deems such action to be in American Biltrite’s best interest. Business units will endeavor to see that managers understand their role in protecting American Biltrite’s legal rights and that anything that places American Biltrite’s legal rights in jeopardy is reported promptly.

#### **Dispute Resolution**

American Biltrite will make every reasonable effort to settle disputes without litigation. No potentially significant lawsuit may be filed without

approval of the Corporate Counsel of American Biltrite. The Corporate Counsel must be notified immediately of any potentially significant lawsuit or any government or administrative enforcement action taken or threatened against American Biltrite.

## Subsidiaries

### **Subsidiary Relationships**

Subsidiary companies are separate legal entities with their own Boards of Directors, which are accountable for their management. Relations with subsidiaries should preserve their separate identities and recognize the rights and interests of shareholders and host governments.

## External Affairs

### **Public Affairs**

American Biltrite will speak to the public with one voice on all business-related issues, whether the subject is general in nature or pertains to one or more specific businesses. For this reason, only authorized personnel should make public statements about American Biltrite or its subsidiaries, divisions or affiliates.

Requests for proposed interviews or nonpublic financial or business information about American Biltrite from any member of the investment community, including securities analysts, fund and portfolio managers, directors of research, brokers, or any member of the business community or the press or other news media, should be referred to the Corporate Office to ensure appropriate and timely response. Requests for information or other contacts from the Securities and Exchange Commission, the American Stock Exchange or other securities regulators must be referred to American Biltrite's Corporate Office.

- It is critical that unauthorized employees not respond to inquiries or contacts themselves because any inappropriate or inaccurate response, even a denial or disclaimer of information, may result in adverse publicity and could otherwise seriously affect American Biltrite's business or legal position.
- If you are unsure of whether or not information regarding American Biltrite, its subsidiaries or business affiliates is public, consult your manager or the American Biltrite's Corporate Counsel.

## **Contributions**

American Biltrite will maintain a program of contributions and participation in civic activities to further meaningful social purposes that benefit the community and American Biltrite. However, no funds or assets of American Biltrite may be used for contributions to any political party or candidate, whether federal, state or local, in the United States or abroad. This prohibition covers not only direct contributions but also indirect assistance or support through buying tickets to fund-raising events or furnishing goods, services or equipment, other than as

permitted by law. The prohibition applies only to the direct or indirect use of corporate funds or assets for political purposes and is not meant to discourage you from making personal contributions to the candidate or party of your choice.

Similarly, American Biltrite is prohibited from compensating or reimbursing any employees or individuals associated with American Biltrite (including outside lobbyists), in any form, for political contributions that these persons intend to make or have made.

### **Investor Relations**

American Biltrite will maintain open communication with investors and their advisors, and with the financial markets in which American Biltrite's securities and other financial instruments are traded. Authorized representatives of American Biltrite will inform shareholders and other constituencies of financial results, and of programs and activities that could affect American Biltrite's financial performance, in a manner that fulfills its legal reporting obligations and enhances investor understanding of American Biltrite and its goals.

### **Competition**

Because fair competition is fundamental to free enterprise, American Biltrite supports laws prohibiting restraint of trade, unfair practices or abuse of economic power and avoids restraining practices everywhere American Biltrite conducts operations – including areas of the world where laws do not prohibit them.

The antitrust laws of the United States and similar laws in other countries are designed to prohibit agreements among companies that fix prices, divide markets, limit production or otherwise impede or destroy market forces. Directors, officers and employees must adhere to the letter and spirit of these laws. Any agreement to fix markets – even an unwritten, informal understanding – may be unlawful, regardless of its commercial reasonableness.

### **International Trade**

In the conduct of both its domestic and overseas operations, American Biltrite fully complies with all applicable laws governing imports, exports and the conduct of business with non-U.S. entities.

### **Emergencies**

Any incident that could require special action by American Biltrite management should be reported immediately to the accountable managers. When and if appropriate, designated representatives of American Biltrite will initiate prompt and open emergency communications with the press and the public.

### **Security**

American Biltrite will develop, implement and maintain cost-effective security measures to protect the life and well-being of employees, and to

provide protection against the loss, misuse and unauthorized disclosure of confidential and sensitive information and the loss of physical and proprietary assets, including intellectual property and trade secrets.

### **Confidentiality & Records**

Each organizational unit will protect and retain all information needed to manage American Biltrite and its businesses, and satisfy legal record retention requirements. Each employee has a duty to protect American Biltrite information designated confidential. Records not required for business or legal reasons will be promptly destroyed in accordance with record retention policies unless a contrary directive is received from American Biltrite management.

### **Health, Safety & Environmental Protection**

#### **Governing Principle**

American Biltrite will conduct its business responsibly, and in a manner designed to protect the health and safety of its employees, its customers and the public and to protect the environment.

#### **Management Requirements**

Programs will be implemented and maintained that provide reasonable assurance that American Biltrite:

**Compliance** Complies with all applicable governmental and internal health, safety and environmental requirements

**Operations** Designs its facilities and conducts its operations in such a manner as to avoid unacceptable risk to human health and safety and the environment

**Products** Produces and sells products that – if manufactured, used, handled, stored, distributed and disposed of utilizing American Biltrite’s product safety practices – will not present an unacceptable risk to human health or safety or the environment

**Hazard Communications** Conducts appropriate research and communicates the known hazards of its products and operations and relevant health, safety and environmental protection information to potentially affected persons

#### **Reporting Irregularities**

Any departure or suspected departure from this policy must be reported to American Biltrite’s Corporate Office.

### **Planning & Control**

#### **Strategic/Tactical Planning, Operation & Control**

American Biltrite and its businesses will maintain strategic plans which, along with annual operating objectives and budgets derived from those plans, will be reviewed periodically and approved by responsible management. Control systems at corporate and business units will seek to ensure that all resource commitments to business and functional

departments are consistent with approved strategic plans and operating budgets.

## **Financial Accounting & Control**

### **Financial Integrity & Ethics**

American Biltrite will fulfill all legal financial reporting obligations. These obligations include the requirements that no director, officer or other employee should falsify or cause to be falsified any book entry, record or document, or should make any false or misleading statement to American Biltrite's management or to any internal or external auditor or accountant.

### **Approvals & Authorizations**

A formal system of approvals and authorizations for financial and operating decisions will be maintained throughout American Biltrite. All authority for such decisions is subordinate to that vested in the Chief Executive Officer by the Board of Directors, which has the sole right to set the limits for any approval authority that may be delegated to others.

### **Financial Reporting & Controls**

Financial and other information that fulfills American Biltrite's reporting obligations will be prepared, recorded and reported according to appropriate laws and regulations and generally accepted accounting principles and procedures that are consistent throughout American Biltrite.

An internal accounting control system will be used to provide reasonable assurance that the financial information fulfills American Biltrite's reporting obligations. A system of disclosure controls will be used to provide reasonable assurance that information American Biltrite files with, or submits to, the Securities and Exchange Commission, or otherwise makes public, is full, fair, accurate, timely and understandable. Such control systems may be revised from time to time as deemed necessary or appropriate by management.

### **Public Accountants**

American Biltrite will maintain an independent public accounting firm appointed by the Board of Directors. The accounting firm will have free and unconditional access to all books, records, files and all other information needed or requested to perform an assigned audit.

The independent accounting firm will have full and free access to management and the Audit Committee of the Board of Directors.

### **Reporting Irregularities**

Any departure or suspected departure from this policy must be reported in accordance with American Biltrite's "Whistleblower Procedures."

## **Treasury & Finance**

### **Financial Resources**

Procurement and disbursement of financial resources must be consistent with the strategic plans of American Biltrite and its financing strategies and be administered and controlled according to corporate approval and authorization procedures.

### **Currency**

American Biltrite will take cost-effective actions to reduce the risk of losses from currency fluctuations. All such actions will be directly and specifically tied to identifiable business transactions of American Biltrite.

### **Insurance**

A cost-effective insurance program will be maintained to protect American Biltrite from major risks of loss. Potential losses that can be absorbed without material adverse effect on the financial condition of American Biltrite may be self-insured.

### **Reporting Irregularities**

Any departure or suspected departure from this policy must be reported in accordance with American Biltrite's "Whistleblower Procedures."

## **Human Resources**

### **Governing Principle**

Employees will be treated with consideration, understanding and respect. American Biltrite will maintain open, two-way communications with all of its employees regarding matters of mutual concern. Employees are encouraged to discuss openly with the appropriate managers any job-related problems they have and to make an earnest effort to resolve differences promptly.

### **Equal Opportunity**

American Biltrite does not discriminate against any individual with regard to any term or condition of employment or participation or the provision of services on account of race, color, religion, sex, age, national origin, disability, sexual orientation, ancestry, veteran or marital status or any other consideration prohibited by applicable law. In addition, American Biltrite prohibits sexual or any other kind of harassment of employees in the workplace by any person.

### **Compensation & Benefits**

Employees should be compensated in a manner that:

1. Reflects business conditions.
2. Is competitive within the industry in which their business competes or the labor market in which their skills are found.
3. Reflects individual performance and contribution.

## **Education & Training**

American Biltrite will offer employees educational and training opportunities that it deems appropriate to help them improve job performance and earn promotions to more responsible jobs in American Biltrite.

## **Community Participation**

American Biltrite will encourage its employees to participate outside work time in community educational, civic and cultural organizations and programs that enhance the security and well-being of employees, their families and the community.

## **Whistleblower Procedures**

### **Non-retaliation Against Whistleblower**

Federal law provides protection against retaliatory termination or adverse employment action by American Biltrite, any of its subsidiaries or their officers, employees, agents, contractors and subcontractors (collectively, the "Employer"), against any employee of American Biltrite, its subsidiaries, contractors or subcontractors who (1) provides information or otherwise assists in an investigation, or (2) files, testifies, participates in, or otherwise assists in any proceeding that has been filed or is about to be filed, in each case, regarding any conduct which the employee reasonably believes constitutes a violation of federal securities or anti-fraud laws, when such information is provided to, or the investigation is conducted by, either (A) a person with supervisory authority over the employee, (B) another employee of American Biltrite or its subsidiaries who has authority to investigate or address misconduct, (C) the federal government or (D) Congress (any of the foregoing actions is referred to as a "Protected Action").

American Biltrite will not condone reprisals against employees or other persons who in good faith report suspected violations of law, concerns regarding questionable accounting or auditing matters, or complaints regarding accounting, internal accounting controls or auditing matters. Open communication of issues without fear of retribution or retaliation is vital to the continued success of our business. Unless appropriate members of management learn of a problem, they cannot deal with the problem. Any delay in addressing such a problem may compound the problem and increase the harm to American Biltrite and its stockholders. Supervisors have an additional responsibility to take appropriate steps to prevent, correct and report misconduct, and supervisors who do not take appropriate action if they suspect misconduct may be held responsible for failure to supervise properly.

Accordingly, any officer, manager, supervisor or employee of American Biltrite or any of its subsidiaries who has authority to make or materially influence personnel decisions who is found to have taken or recommended an adverse action against an employee in retaliation for any Protected Action, may be subject to discipline, including possible termination of employment.

This policy, however, is not intended to protect any employee who knowingly makes false allegations, statements or reports of alleged violations of federal securities and anti-fraud laws, and such employees may be subject to discipline, including possible termination of employment.

If you become aware of a possible violation of law or if you have concerns or want to file a complaint regarding questionable accounting, internal accounting controls or auditing matters, then you should follow the procedures set forth below under the heading "Reporting Violations."

If you believe that you have been discharged, demoted, suspended, threatened, harassed or in any other manner discriminated against in the terms and conditions of your employment because of any lawful action described in the first paragraph of this policy taken in good faith, you should also follow the procedures set forth under the heading "Reporting Violations". Complaints of this nature should clearly indicate that the violation you are reporting is a "Complaint of Retaliation Against Whistleblower".

### Reporting Violations

If you become aware of a possible violation of law or if you have concerns or want to file a complaint regarding questionable accounting, internal accounting controls or auditing matters, then you should report the possible violation, concern or complaint as follows:

### Whom You Should Contact

Adele Muller, Assistant Treasurer, has been designated as American Biltrite's Compliance Officer. The Compliance Officer is the official charged with responsibility for ensuring that American Biltrite's policies for handling reports of violations of law or concerns or complaints regarding accounting or auditing matters are effectively investigated and addressed. Thus, as a general matter, if you become aware of a possible violation of law or if you have concerns or want to file a complaint regarding questionable accounting, internal accounting controls or auditing matters, you should contact the Compliance Officer to report your concerns.

You may make your report to the Compliance Officer either in person, at her office (at the mailing address below) or by letter, email or telephone by directing your report as follows:

If by mail:                57 River Street  
                                 Suite 302  
                                 Wellesley Hills, MA 02481

If by email:                [amuller@ambilt.com](mailto:amuller@ambilt.com)

If by telephone:        (781) 237-6655

The Compliance Officer will report to the Audit Committee of the Board of Directors regarding all reports relating to accounting, internal accounting controls or auditing matters. You may also report your

concerns regarding such matters directly to our confidential Whistleblower Hotline *as described below*.

### **What You Should Include in Your Report**

In order for the Compliance Officer to be able to conduct an appropriate investigation, it is necessary that you provide as much information as you are able to describe in sufficient detail the nature of the possible violation, concern or complaint that you are reporting.

### **Anonymity & Confidentiality of Reports**

*All reports made in good faith to the Compliance Officer will be treated confidentially, except to the extent necessary to investigate the allegations.*

Your report relating to accounting, internal control accounting, or auditing matters may be made anonymously to our confidential Whistleblower Hotline. Procedures have been established to prevent tracking of incoming phone numbers and sender's email addresses. Please consider, however, that if you choose to make an anonymous report and do not provide us with sufficient information, we may not be able to fully investigate the matter.

To submit a report relating to an accounting, internal accounting control or auditing matter to the Audit Committee using our confidential Whistleblower Hotline, go to the secure web site <https://www.openboard.info/abl>, where you can also obtain additional information regarding the handling of your report. *Reports made to our Whistleblower Hotline will be reported to our Compliance Officer for investigation and reporting to the Audit Committee.*

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