

1. POLICY STATEMENT

The AMES Companies, Inc. (“AMES” or “Company”) prohibits bribery and other forms of improper payments. This rule applies to all AMES operations and personnel, regardless of where you are doing business or your job level.

AMES’s dealings with Foreign Government Entities and Foreign Government Officials are subject to all relevant anti-corruption laws including, but not limited to, the US Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act (“UKBA”). Under these and other anti-corruption laws around the world, as well as under Company policy, we may not offer, promise, make or give a bribe or other improper payment (or one that reasonably could be viewed as such) to any person, including any Foreign Government Official.

This policy does not prohibit AMES from interacting with Foreign Government Entities or Foreign Government Officials, but serves to highlight the risk areas and provides guidance on how to mitigate those risks in circumstances where such interactions will occur in light of the nature of our business.

This policy supplements the Griffon Code of Business Conduct & Ethics, relevant AMES policies and all applicable laws.

2. PURPOSE

In an effort to eliminate corruption in business dealings, many governments around the globe have enacted anti-corruption laws. This policy helps guide AMES’s global operations to conduct business in a manner consistent with these laws.

3. SCOPE AND APPLICABILITY

This policy applies to all employees working at all AMES locations, as well as to any Third Party Intermediaries that act on behalf of AMES.

This policy must be consistently applied throughout the world and in accordance with applicable laws, not only when it is convenient or consistent with other business objectives, but in all situations.

It is the responsibility of each employee to familiarize himself or herself with this policy, and to comply with it and all applicable anti-corruption laws. Failure to do so will result in disciplinary action, up to and including termination of employment.

4. PRINCIPLES

- a. AMES will conduct its business fairly, honestly and transparently.
- b. AMES will not make or offer a bribe, whether directly or indirectly, to gain a business advantage, and prohibits its employees and Third Party Intermediaries from doing so.
- c. AMES will not accept a bribe, or act in furtherance of a bribe, whether directly or indirectly, to confer a business advantage, and prohibits its employees and Third Party Intermediaries from doing so.

- d. The use of AMES funds or assets for any illegal, improper, or unethical purpose is strictly prohibited.
- e. AMES will communicate its policies and values to its customers, suppliers, Third Party Intermediaries, and affiliates, and will refrain from doing business with entities and individuals that do not accept and comply with its business standards.
- f. AMES will develop and implement guidelines and procedures as necessary to support this policy.
- g. AMES will keep clear and up-to-date records and will implement and enforce financial controls to ensure that its books and records accurately and transparently reflect the nature of all payments.
- h. AMES will regularly review and update its policy, guidelines, and procedures to ensure they continue to reflect current regulatory and compliance requirements.
- i. AMES is committed to these principles under all circumstances.

5. DEFINITIONS

- a. Foreign Government Entity – includes any non-US Government agency, body, or state organization including subdivisions thereof or entities acting on behalf of such entities. This includes, but is not limited to, military, police, public transportation, public international organizations (e.g., United Nations or World Bank) and political parties.
- b. Foreign Government Official – any officer or employee of a non-US Government Entity official capacity for or on behalf of any such non-US Government or department, agency or instrumentality, or for or on behalf of any such public international organization. This includes, but is not limited to:
 - i. An employee, official, contractor or representative of a non-US Government Entity or any department, agency or similar organization (e.g. State Owned Enterprises) thereof;
 - ii. A person holding or performing the duties of an appointment, election, office or position under a law, custom or convention of a country;
 - iii. A person in the service of a non-US Government, including members of the military, police or civil service;
 - iv. A member of the legislative, administrative, or executive branch of non-US Government, or the judiciary or magistracy;
 - v. An officer, employee or contractor of a public international organization (e.g., United Nations, World Bank);
 - vi. Political parties, representatives, party officials or any candidate for a political office;
 - vii. Members of a royal family;
 - viii. Family members and relatives, including spouses, of any of the above.
- c. Third Party Intermediary – any individual or entity that: (a) the Company uses, directly or indirectly, in a representative capacity, under which such individual or entity serves as an extension (legal or otherwise) of the Company, either for a particular transaction or on a

continuing basis; and (b) receives a fee, commission, discount or other compensation for the services provided to the Company. Third Party Intermediaries include, but are not limited to, the following:

- i. sales agent / agency
 - ii. sales representative
 - iii. consultant
 - iv. distributor
 - v. freight forwarder
 - vi. logistics provider
 - vii. customs broker
 - viii. professional services firm
 - ix. procurement agent
 - x. other service provider
- d. Facilitating Payment / Grease Payment – a payment of minimal value made to a Foreign Government Official in order to hasten or secure the performance of routine, non-discretionary governmental action. An "act of a routine nature" includes, but is not limited to the following:
- i. The issuance of a permit, license or other document to qualify a person to do business;
 - ii. The processing of official documents, such as visas and work permits;
 - iii. The provision of services normally offered to the public, such as mail pick-up and delivery, telecommunication services and power and water supply; and
 - iv. The provision of services normally provided as required, such as police protection, loading and unloading of cargo, the protection of perishable products or commodities from deterioration or the scheduling of inspections related to contract performance or transit of goods.
- e. Due Diligence – the process by which AMES screens the history, reputation, and qualifications of its Third Party Intermediaries. Due Diligence reviews are intended to ensure that AMES only has business relationships with reputable, qualified individuals and entities.
- f. Red Flag – a warning sign of a potential corruption risk. A list of examples is contained in Section 7 “Examples of Corruption Red Flags” in this policy.

6. MINIMUM REQUIREMENTS

6.1 Bribes and Kickbacks Prohibited

AMES prohibits all forms of improper payments made to any person, including Foreign Government Officials. One example of an improper payment is a bribe. A bribe can be anything of value offered, promised, made or given in order to obtain or retain business or an improper business advantage. A bribe may include, but is not limited to, cash, cash equivalents, gifts, travel expenses, entertainment, services, or loans.

Another form of improper payment is a kickback. Kickbacks are the return of funds already paid or due to be paid as part of a legal contact without a legitimate business purpose or justification for their return, or paid as a reward for making or fostering business arrangements.

AMES prohibits all forms of bribes and kickbacks. Limited exceptions will be made for bribes and / or kickbacks if life or physical harm is threatened. If that is the case, AMES Legal (“Legal” or “Ethics Liaison Officer”) must be notified as soon as possible and provide written approval (e.g., email) for the bribe and / or kickback. This rule applies no matter how small the requested amount.

6.2 Facilitating / Grease Payments Prohibited

Foreign Government Officials may demand additional payments to perform routine, non-discretionary functions they ordinarily and commonly perform under local law. This may include obtaining or processing governmental papers or official documents, such as licenses, permit or visas; loading and unloading of cargo.

Although it may be customary to make Facilitating Payments in certain locations where AMES does business, in most circumstances responding to such demands will violate local laws.

Therefore, AMES prohibits all forms of Facilitating Payments made to Foreign Government Officials. Limited exceptions will be made for Facilitating Payments if life or physical harm is threatened. If that is the case, Legal and the Local Ethics Liaison must be notified as soon as possible, and Legal must provide written approval (e.g., email) for the Facilitating Payment. This rule applies no matter how small the requested amount.

6.3 Gratuities, Gifts, and Business Courtesies

Under Griffon’s Code of Business Conduct and Ethics, its personnel and representatives must conduct business with customers (including U.S. and foreign governments) and vendors on the basis of service, quality, performance and price without giving or accepting anything of value that could influence or appear to influence the outcome of a transaction.

Gratuities, or gifts, are defined as items of value (e.g., cash, goods, services, use of property) that are given voluntarily and not in return for, or in anticipation of, a reciprocal service or courtesy. Gifting is frequently used as an expression of goodwill to nurture business relationships. In some cultures it is considered an integral part of doing business.

Business Courtesies are reasonable accommodations (e.g., meals, refreshments, entertainment, transportation, and lodging) that may be offered or received in connection the promotion of products or the execution of agreements.

Even when considered customary or involving items of minimal value, gratuities, gifts, and business courtesies can give rise to corruption concerns. As such, written pre-approval from your direct supervisor must be received before you may offer or give any gratuities, gifts, and / or business courtesies.

To the extent that a Foreign Government Official is in any way associated with the gratuities, gifts, and / or business courtesies, Legal and the Local Ethics Liaison must be notified in writing regarding the nature, value, reasoning, and recipient of the gratuities, gifts, and / or business courtesies. Further, written pre-approval from Legal must be obtained for any travel or business expense associated with a Foreign Government Official(s).

6.4 Donations

Donations are defined as items of value (e.g., cash, goods, services, use of property) that are given voluntarily for charitable purposes and not in return for, or in anticipation of, a reciprocal service or courtesy. Donations are frequently used as an expression of goodwill to nurture business relationships. In some cultures it is considered an integral part of doing business.

To the extent that a Foreign Government Official(s) is in any way associated with a donation, Legal and the Local Ethics Liaison must be notified in writing regarding the nature, value, reasoning, and recipient of the donation. Further, written pre-approval from Legal must be obtained for any donation associated with a Foreign Government Official(s).

It is to be noted that the activities of the AMES Charitable Foundation and any AMES employees responsible for those activities are covered by this Policy.

6.5 Third Party Intermediary Engagement and Maintenance

Third Party Intermediaries are frequently retained or appointed to function in a representative capacity on AMES's behalf. Misconduct by any Third Party Intermediary acting on behalf of AMES creates a risk to AMES – and also to any AMES employee who may directly or indirectly be involved in their conduct – and could lead to civil and criminal penalties, as well as reputational harm. If a Third Party Intermediary makes an improper payment or engages in other improper conduct with a Foreign Government Official or Foreign Government Entity, both the AMES employee and the Company are at risk of violating anti-corruption laws such as the FCPA, the UKBA, and other applicable local anti-corruption laws in the jurisdiction where the improper conduct may have occurred.

Given the importance of overseeing and monitoring its Third Party Intermediaries, the Company requires that the background and reputation of its Third Party Intermediaries be assessed in order to have a basis for concluding that the Third Party Intermediary is capable of providing such services in a manner that complies with relevant laws, as well as the Griffon Code of Business Conduct and Ethics and this Policy.

The Company must conduct thorough and comprehensive due diligence prior to the retention of a Third Party Intermediary, as well as the renewal of any arrangement, agreement, or contract with a Third Party Intermediary. Therefore, the Company requires oversight of Third Party Intermediaries in general, and their activities and interactions with Foreign Government Officials in particular.

6.5.1 Third Party Intermediary Risk Ranking

Before authorizing and / or retaining any new Third Party Intermediaries to engage in any business activity on behalf of the Company, a risk assessment must be performed on the Third Party Intermediary (see the Third Party Intermediary Risk Ranking Questionnaire).

The Third Party Intermediary's proposed capabilities, qualifications, functions, and responsibilities, as well as the services to be performed and the location(s) where the services are to be provided must be evaluated.

The Third Party Intermediary will be assessed, and based on its inherent risk. Legal will determine (1) whether the Company wants to engage with the Third Party Intermediary and if so, (2) what level of risk-based due diligence should be performed on the Third Party Intermediary.

6.5.2. Conducting Third Party Intermediary Due Diligence

Depending on the identified risk of the Third Party Intermediary, AMES will either conduct due diligence internally, or have a service provider perform the due diligence.

At any stage of the due diligence process, if more information is requested, it should be provided as soon as reasonably possible. Any information not provided could result in the delay and / or failure to approve the Third Party Intermediary to do business on behalf of the Company.

6.5.3. Approval of Third Party Intermediaries

Legal will review the due diligence results, resolve any red flags identified, and document whether the Third Party Intermediary will be accepted or rejected. Legal will prepare the appropriate agreement.

6.5.4. Contracting

Legal will draft the agreement, and ensure that both the Anti-Corruption Clause and Right to Audit Clause have been included. If acceptable, the Third Party Intermediary will be instructed to print two copies, sign both copies and have both copies witnessed, dated and returned to the Legal Department. One original fully executed Agreement will be sent to the Third Party Intermediary for their file, and the Legal Department will also maintain a copy.

6.5.5. Training

Based on the level of assessed risk, Legal will determine if a Third Party Intermediary will require training, and if so, the frequency and method of training.

6.5.6. Oversight and Monitoring

The Local Ethics Liaison(s) have oversight responsibilities for Third Party Intermediaries in their given jurisdiction, including having insights into Third Party Intermediary activities in general, and any interactions with Foreign Government Officials specifically.

The Local Ethics Liaison(s) are responsible for reporting all red flag activities associated with Third Party Intermediaries in their given jurisdiction, of which the Local Ethics Liaison(s) is made aware, to Legal. (Refer to Section 7 for examples of corruption red flags.)

6.5.7. Third Party Intermediary Records Retention Obligations

AMES will utilize a documentation repository for maintaining Third Party Intermediary related information. The following documents will be maintained:

- a. Initial notification requests
- b. Relative risk assessment documentation
- c. Due diligence documentation
- d. Active agreements
- e. Invoices and payments
- f. Annual trainings
- g. Ongoing oversight / monitoring activities

All information obtained from a Third Party Intermediary or from additional sources, and all efforts to obtain such information must be documented. If information is received orally, it should be recorded in a written memorandum or e-mail as soon as possible and be included in any information that is submitted to Legal for approval.

Information collected as part of the due diligence review must be kept in compliance with applicable records retention requirements, including after the relationship is no longer active.

6.5.8. Third Party Intermediary Auditing

AMES shall have the right to audit the Third Party Intermediary's books and records at any time to determine if the Third Party Intermediary is in compliance with the terms and conditions of their agreement with AMES.

6.6 Annual Training

Annual anti-corruption training shall occur in a manner and on a schedule determined by Legal and shall, at a minimum, be required for those employees who interact directly with Foreign Government Officials, as well as those responsible for approving, processing, and monitoring compliance-sensitive payments. Anti-corruption training also may be provided to Third Party Intermediaries, as determined by Legal.

7. EXAMPLES OF CORRUPTION RED FLAGS

The following is a list of Red Flags that may indicate a possible violation of this policy:

Third Party Intermediary Background / Due Diligence Red Flags

- a. Foreign Government Official recommends Third Party Intermediary
- b. Third Party Intermediary has a business relationship with a Foreign Government Official
- c. Third Party Intermediary has violated anti-corruption laws or rumors exist that Third Party Intermediary has violated anti-corruption laws
- d. Third Party Intermediary lacks relevant industry / technical experience or resources to carry out their responsibilities
- e. Third Party Intermediary has a reputation for illegal or unethical conduct
- f. Third Party Intermediary has a history of actual or alleged improper payments

Contracting / Certification Red Flags

- a. Contract terms include unusually large fees, commissions, or retainers
- b. Contract does not have explicit start and end dates
- c. Refusal to certify compliance when asked to do so

Invoice / Payment Red Flags

- a. Requests for payments in cash or in checks payable to “cash” or “bearer”
- b. Requests for payment before any performance takes place
- c. Requests for payments to an individual or entity unconnected to the transaction
- d. Requests for last minute increases in compensation
- e. Invoice includes vague description of goods or services (e.g., lack of transparency into the activities of the Third Party Intermediary)
- f. Invoice includes poorly documented or undocumented expenses

Other Red Flags considerations include:

- a. Business unit / location has direct or indirect business activities with Foreign Government Official(s)
- b. Business unit / location has business activities in a country known for bribery / corruption
- c. Foreign Government Official requests business unit / location for gratuities and business courtesies

- d. Business unit / location provides political contributions, donations, or other lobbying activities
- e. Business unit / location has weak corporate governance and / or internal controls
- f. Business unit / location has employed a current or former Foreign Government Official or a family member of a current or former Foreign Government Official
- g. Business unit / location has questionable use of Third Party Intermediaries and / or unnecessary parties performing similar functions

8. EXCEPTIONS TO POLICY

AMES's Legal department must approve all exceptions to this policy in writing.

9. DUTY TO REPORT

Every employee has the duty to prevent breaches of this policy by reporting any questionable situation or potential violation. There are many available alternatives for such reporting:

- a. Your supervisor or local Human Resources representative;
- b. AMES Legal/AMES Global Ethics Liaison Officer: 717-730-2564;
- c. Local Ethics Liaisons:
 - i. Canada/Ireland: 418-259-3204 Ext. 3204
 - ii. Shanghai: 86 21 6446 8880 Ext. 120
 - iii. Shenzhen: 86-755-8215 1212
 - iv. Australia/New Zealand: 03 8791 9373
- d. Griffon's Ethics Officer 212-957-5000; or
- e. Griffon Ethics Compliance Line 888-298-4032.