

Code of Business Conduct

MSC Industrial Direct Co., Inc. (together with its subsidiaries, collectively "MSC" or the "Company") is a company governed by the highest standards of business conduct and ethics. Our success is defined not just by our commitment to superior customer service, but also by our reputation for integrity and fair dealing. While meeting our business objectives is important, we insist that these objectives can be accomplished while adhering to our core values of honesty and fair dealing, even when circumstances make that difficult.

This Code of Business Conduct (this "Code") articulates standards of business and professional ethics that we expect each MSC Associate to follow in their dealings on behalf of the Company. This Code applies to all Directors, Executive Officers and Associates of MSC in the United States and in the other countries where MSC does business. Adherence to these standards will not only avoid potential civil and criminal exposures, but by avoiding even the appearance of impropriety, we ensure that our reputation for fair dealing and ethical business conduct remains intact.

As an Associate, Director or Executive Officer of MSC, you are expected to become familiar with the provisions of this Code and comply with its requirements. However, if at any time you have any doubts or questions about compliance with this Code, its interpretation, or whether an action is permissible under the Code, you should ask your immediate Supervisor, Manager or the Internal Audit Department, or any of the other contact individuals listed in this Code on page 5, prior to taking action. Examples of unethical and/or prohibited behavior and activities are provided in Appendix A for your reference, but it should be very clear that Appendix A does not cover all situations.

I expect every Associate of MSC to make a conscientious effort to act at all times in accordance with both the letter and spirit embodied in this Code. MSC's reputation and future success depend on it.



Erik Gershwind
Chief Executive Officer & President

TABLE OF CONTENTS

SECTION	PAGE
PART 1 – STANDARDS OF BUSINESS ETHICS	3
A. LAWFUL AND ETHICAL BEHAVIOR	3
B. CORPORATE COMPLIANCE	4
C. NO RETALIATION	6
D. CONFLICTS OF INTEREST	6
E. BUSINESS PRACTICES (Non Solicitation Policy & Integrity/Falsification of Records Policy)	8
F. DEALINGS WITH GOVERNMENTS	14
PART 2 – TRADE SECRETS AND CONFIDENTIAL INFORMATION	16
PART 3 – GOVERNMENT INVESTIGATIONS	18
PART 4 – TRADING IN COMPANY SECURITIES AND COMPANY POLICY ON INSIDER TRADING	19
PART 5 – ANTITRUST AND UNFAIR TRADE PRACTICES	20
A. INTRODUCTION	20
B. GUIDELINES FOR COMPLIANCE <ul style="list-style-type: none"> ▪ Agreements with Competitors ▪ Customer Relations ▪ Price Discrimination and Cooperative Advertising ▪ Trade Association Activities ▪ Joint Ventures ▪ Mergers and Acquisitions ▪ Information Exchanges ▪ Brokerage ▪ Unfair Trade Practices 	20
C. REPORTING	24
D. CONSEQUENCES OF NON-COMPLIANCE <ul style="list-style-type: none"> ▪ Criminal Prosecution – Fine and Imprisonment ▪ Treble Damage Judgments ▪ Injunctions ▪ Corrective Action 	24
PART 6 – EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION POLICY AND INTERNAL COMPLAINT PROCEDURE	26
A. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION POLICY	26
B. INTERNAL COMPLAINT PROCEDURE	26
APPENDIX A	27

PART 1 – STANDARDS OF BUSINESS ETHICS

A. LAWFUL AND ETHICAL BEHAVIOR

Lawful and ethical behavior is required at all times. The purpose of this Code is to provide a statement of certain key policies and procedures of MSC for conducting our business in a legally and ethically-appropriate manner.

It is and has been our policy to be a good “corporate citizen” of the states and countries in which we do business. We have a responsibility to obey applicable laws, including those of each foreign jurisdiction in which we have operations. This includes the laws that directly affect the way we do business, such as those covering wholesale distribution of maintenance repair and operations (MRO) supplies, antitrust laws, laws relating to trading in MSC stock and those governing our relationship with our Associates.

Each of us has a responsibility to set an example of good behavior by continually acting in a clearly ethical manner. Our policies concerning legal and ethical behavior were established in the firm belief that it is both right and in the interest of MSC for our Directors, Executive Officers and Associates to act in accordance with them. Each of you is responsible for reviewing and understanding these policies and procedures to the extent related to your activities and responsibilities. You can obtain advice concerning these policies from your Supervisor, Manager or the Internal Audit Department. On doubtful questions or “close calls”, you must seek and receive advice in advance of taking action.

MSC Supervisors and Managers are expected to lead according to our standards of ethical conduct in both words and action. Supervisors and Managers are responsible for promoting open and honest two-way communications, and to be positive and active role models who show respect and consideration for each of our Associates. Supervisors and Managers must be diligent in looking for indications that unethical or illegal conduct has occurred.

This Code is not an employment contract, nor is it intended to be an all-inclusive policy statement of MSC. However, by signing the accompanying Acknowledgement Form, Associates agree to comply with all of the policies contained within this Code. Subject to applicable law, MSC reserves the right to provide the final interpretation of the policies in this Code and revise them as appropriate. When revisions occur, MSC will ask Associates to review the revisions and sign a new Acknowledgement Form confirming their understanding and agreement to comply with this Code as revised. MSC will advise Associates of other policies which must be followed.

Summarized below are certain laws and the related policies and procedures of the Company. These laws, policies and procedures are particularly important to the Company’s business and the preservation of its good name and reputation. Integrity is, and must continue to be, the basis of all our corporate relationships.

Waivers of this Code for Directors or Executive Officers of the Company may only be issued by the Company’s Board of Directors (the “Board”) or by the Nominating and Corporate Governance Committee of the Board, and must be promptly disclosed (and, in any event, within 4 business days of the issuance of such waiver) to the Company’s shareholders. Waivers not involving Directors or Executive Officers may be issued by the Director of Internal Audit.

PART 1 – STANDARDS OF BUSINESS ETHICS

B. CORPORATE COMPLIANCE

It is our policy not to tolerate unethical or unlawful behavior, to halt any such behavior that may occur as soon as reasonably possible after its discovery and to discipline both those who engage in such behavior and any individuals whose failure to exercise appropriate supervision and oversight over their direct reports allows such behavior to occur.

Failure to comply with the standards contained in this Code may have severe consequences for both the individuals involved and the Company. In addition to potentially damaging MSC's good name, trade and customer relations and business opportunities, conduct which violates this Code may also violate federal, state and local laws. These violations may subject the individuals involved to fines, prosecution and imprisonment. In addition, they may subject the Company to prosecution, fines and other penalties. The Company reserves the right to take corrective action, up to and including termination of employment, against any Associate who violates the standards contained in this Code or any related policies or procedures adopted by the Company.

The Director of Internal Audit has been designated to oversee all internal auditing, monitoring, and self-evaluation programs relating to the legal and regulatory obligations of the Company to ensure a broad and consistent interpretation of our corporate compliance objectives. This responsibility covers all existing and future programs. In this role, the Director of Internal Audit reports directly to the Executive Vice President and Chief Financial Officer and the Audit Committee of the Board.

If you know or have reason to believe that a violation of applicable laws, this Code, or the Company's related policies and procedures has occurred, you must report all relevant information immediately to your Supervisor, Manager or to the Internal Audit Department. If you believe the person to whom you have reported the violation, or possible violation, has not taken appropriate action, you must contact the Director of Internal Audit or the Chair of the Audit Committee. If the person you believe may have violated applicable laws, this Code of Conduct or our related policies and procedures is your Supervisor or Manager, you must report the possible violation to the Director of Internal Audit. If the person you believe may have committed any such violation is the Director of Internal Audit, you must report the possible violation to the Chief Executive Officer. Finally, if the person you believe may have committed any such violation is the Chief Executive Officer, you must report the possible violation to the Chair of the Audit Committee. It is imperative that persons who make such reports and persons to whom reports are made not conduct their own preliminary investigations, unless authorized to do so by the Chair of the Audit Committee, the Chief Executive Officer or the Director of Internal Audit, as applicable.

We are committed to administering this Code fairly, objectively and conscientiously. To the extent practicable under the circumstances, the identity of Associates about whom or against whom a violation of this Code has been alleged will remain confidential unless or until it has been determined that a violation has occurred which requires corrective action. At that time, the information will only be released on a need-to-know basis. The identity of Associates reporting a violation will remain confidential to the extent possible, consistent with law and corporate policy and the requirements necessary to conduct an effective investigation.

PART 1 – STANDARDS OF BUSINESS ETHICS

Reports of a violation, or possible violation, may be made by telephone, email, in person or in writing. A sufficiently detailed description of the factual basis for the allegations should be given in order to allow for an appropriate investigation. The Company has two anonymous hotlines

(the Fraud, Abuse and Waste [F.A.W.] hotline and a third-party provided hotline) for reporting allegations of questionable accounting or auditing matters, as well as fraud, waste and abuse.

The F.A.W. hotline has been established for anyone to report information regarding questionable accounting or auditing matters, as well as fraud, waste and abuse or conflict minerals reporting concerns directly to one of the following: the Chair of the Audit Committee (an independent non-management member of the Board), the Director of Internal Audit or the Enterprise Risk Manager (for conflict minerals only). As an additional option, the Company has contracted with an independent third-party hotline service provider (telephone number, e-mail address and website are listed below) that anyone can use in lieu of the F.A.W. hotline to report such matters. The third-party service provider will relay any information it receives through this hotline directly to the Chair of the Audit Committee.

Taking action to prevent problems is part of MSC's culture. If you observe possible unethical or illegal conduct, you are encouraged to report your concerns.

Contact information for reporting violations, or possible violations to someone other than your Supervisor or Manager is as follows:

Chair of Audit Committee

Philip Peller
75 Maxess Rd.
Melville, NY 11747
(Tel.): 1-800-753-7972

Director of Internal Audit

Thomas Blitvich
525 Harbour Place Drive
Davidson, NC 28036
(Tel.): 704-987-5558
(Email): thomas.blitvich@mscdirect.com

General Counsel

Steve Armstrong
75 Maxess Rd.
Melville, NY 11747
(Tel.): 516 812-1420
(Email): armstrst@mscdirect.com

Third Party Hotline

(Web): www.openboard.info/msm
(Email): msm@openboard.info
(Tel.): 1-866-259-2675

F.A.W. Hotline

(Tel.): 1-800-753-7972

PART 1 – STANDARDS OF BUSINESS ETHICS

C. NO RETALIATION

Any Associate who in good faith raises an issue regarding a possible violation of law, this Code, or Company policy will not be subject to retaliation of any kind. For this purpose, “retaliation” includes, but is not limited to, discharge, demotion, suspension, threat, harassment, or other disparate treatment against any such Associate in the terms and conditions of his or her employment. Any supervisory personnel who retaliate against an Associate as a result of such Associate’s report of an alleged violation of law, this Code or Company policy shall be subject to corrective action, including termination, and may risk criminal sanctions as a result of such actions. Any Associate who reports his or her own misconduct, however, will not be absolved of responsibility for his or her actions by virtue of having self-reported. Further, the Company will take corrective action against any Associate who knowingly makes a false report of a possible violation for the purpose of harming another individual or otherwise. If you believe you have been subject to retaliatory action for reporting possible violations of law, this Code or Company policy, you should contact the Company’s Internal Audit Department or General Counsel.

D. CONFLICTS OF INTEREST

It is MSC’s policy to respect and encourage the rights of its Associates to make financial investments and to engage in outside activities provided that these investments or activities do not conflict with their official duties and are not contrary to the best interests of the Company.

In this regard, Associates are expected to avoid situations that might involve, or give the appearance of involving, a conflict between their personal interests and the interests of the Company.

All Associates are required to disclose to their Supervisor or Manager any situation that may be, or appears to be, a conflict of interest. When in doubt, it is best to disclose. Your participation in any activity that could involve an actual or potential conflict of interest requires the advance approval of your Supervisor or Manager and the Director of Internal Audit.

In the case of any Director or Executive Officer of MSC, any situation that might involve a conflict or give the appearance of a conflict must be disclosed to the Director of Internal Audit and the Nominating and Corporate Governance Committee must approve, in advance, participation in any activity that could involve a potential or actual conflict of interest.

Although it is impossible to describe every circumstance that may give rise to possible conflicts of interest, the following examples will serve as a guide to questionable activity:

1. Financial Interests in Other Businesses:

- Ownership of a substantial interest in any outside concern that has a present or prospective business relationship with, or is a competitor of, the Company. “Substantial interest” means: (i) in the case of a public company, beneficial ownership of 5% or more of the outstanding equity interests of such company; and (ii) in the case of a private company, ownership of an interest in such company sufficient to influence decisions or derive a significant profit. Ownership of a substantial interest in a company is not expressly prohibited, but must be disclosed to the Company.

PART 1 – STANDARDS OF BUSINESS ETHICS

- Business dealings on behalf of MSC with any outside concern where the Associate or relative ¹ has a substantial financial interest without prior written disclosure to the Associate's Supervisor or Manager of the relationship. If there is any doubt about how a relationship might be perceived, it should be disclosed to management.
2. **Services to a Customer, Supplier or Competitor:**
Providing management or consulting services to an organization which does business with, or is a competitor of, the Company.
 3. **Gifts:**
Associates may not accept or give gifts, favors, loans, excessive entertainment or travel that would not be considered normal and customary business courtesies from/to a supplier, customer or competitor of the Company. "Excessive entertainment or travel" means hospitality and meals or entertainment that cannot be viewed as normal and customary business courtesies. If you are unsure as to whether the value of a gift exceeds an appropriate amount, consult your Supervisor, Manager or the Director of Internal Audit at once as to its disposition.
 4. **Kickbacks or Bribes:**
Any request or receipt of any payment, loan, gift or other benefit from a customer or supplier as an inducement to take actions favorable to such supplier or customer or actions that might be unfavorable to a competitor of a customer or supplier.
 5. **Use of Information:**
Disclosing, misappropriating, or using Company confidential information for matters unrelated to the proper performance of your assigned duties. It does not matter whether or not this disclosure or use is motivated by an actual or anticipated personal profit or advantage. Any information about the Company is presumed to be "confidential" until it is made available to the public through the press, periodicals, financial or business publications, or similar sources.
 6. **Competition:**
Competing with the Company, directly or indirectly, in the purchase, sale or leasing of property or interests in property.
 7. **Corporate Opportunities:**
Using any business opportunity that is discovered through your relationship with the Company without first offering such opportunity to the Company.
 8. **Acquisition of Property:**
Acquiring an interest in property or assets whose value may be affected by actions taken by the Company.

¹ For purposes of this document, "relative" shall be defined as any child, stepchild, parent, grandparent, stepparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, aunt, uncle, niece or nephew, by blood, marriage or adoption, and any person (other than a tenant or employee) sharing the household of such person.

PART 1 – STANDARDS OF BUSINESS ETHICS

9. Outside Employment or Directorships:

Working for or receiving compensation for services from any competitor, customer or vendor without the approval of General Counsel.

10. Use of Company Assets For Personal Benefit:

Making improper use of the Company's assets (including equipment, computers, telephones, materials, resources or proprietary information) for personal benefit at the expense of the Company.

11. Abuse of Corporate Title For Personal Gain:

Using one's position at the Company for personal gain outside the Company (for example, seeking discounts or preferred treatment from local vendors, or seeking gifts or loans from an entity or person with whom the Company does business).

To ensure compliance with this policy, all members of the Board, Executive Officers, Functional Directors and Managers of the Company are required to complete and sign a conflict of interest questionnaire annually.

E. BUSINESS PRACTICES

- **Equal Employment Opportunity: Harassment**

At MSC, the role of each Associate within the organization is important and a positive work environment is crucial to our success. We are concerned about all of our Associates and provide equal opportunity employment in all employment-related matters. In addition to our Equal Employment Opportunity and Affirmative Action Policy, we do not tolerate harassment of, or by, any of our Associates, applicants, suppliers, competitors or customers. For a full discussion of our Equal Employment Opportunity and Affirmative Action Policy and policies forbidding sexual and discriminatory harassment, see "Part 6 – Equal Employment Opportunity and Affirmative Action Policy and Internal Complaint Procedure".

- **Non-Solicitation Policy**

We believe that Associates should not be harassed, disturbed or disrupted in the performance of their job duties. For this reason, solicitation of any kind by an Associate of another Associate is prohibited while either person is on working time. Similarly, the distribution of advertising material, handbills, printed or written literature of any kind is prohibited on working time and is also prohibited in working areas of our Company.

The solicitation and distribution of literature by non-Associates on company premises is prohibited at all times.

The Company's electronic communications systems are for business use and should not be used to solicit for religious or political causes, outside organizations or other personal matters unrelated to the business of the Company.

MSC Associates may not contact, on their own behalf, any entity that is or was or may become a Customer of MSC to solicit and/or to sell a Customer any item, commodity or product, whether or not the item, commodity or product is offered by MSC.

While employed by the Company, and for an additional period of time after termination of employment which is indicated in their executed Associate Confidentiality, Non-Solicitation and Non-Competition Agreement with MSC, Associates may not directly or indirectly request, induce or advise Customers of MSC to withdraw, curtail or cancel their business with MSC. Nor shall the

PART 1 – STANDARDS OF BUSINESS ETHICS

Associates while employed, and for an additional period of time after termination of employment which is indicated in their executed Associate Confidentiality, Non-Solicitation and Non-Competition Agreement with MSC may not directly or indirectly request, induce, advise or solicit MSC Associates to leave MSC's employ.

Integrity/Falsification of Records Policy

MSC's future success is dependent upon the commitment of all Associates to conduct themselves according to the Company's policies and procedures. MSC's management is responsible to enforce the Company's policies and procedures. An Associate or applicant must not falsify any documents that include, but are not limited to, applications, medical history records, invoices, expense reports, time sheets, time cards, or any other paperwork or documents.

If you observe any such violations, please report them to your Supervisor/Manager, the Department Manager or a Human Resources Representative.

- **Accounting and Financial Reporting**

In order to enable the preparation of timely management reports and to meet external and regulatory reporting requirements, all funds and other assets and all transactions of the Company must be properly documented, fully accounted for and promptly recorded in conformity with the Company's accounting policies and Generally Accepted Accounting Principles. Company business records must always be prepared accurately and reliably and stored in an appropriate manner.

The financial records of the Company must accurately reflect all transactions, including any payment of money, transfer of property or furnishing of services. All transactions must be executed in accordance with the Company's general or specific authorization.

Under no circumstances may Company funds or assets be used for any unlawful purpose.

Under no circumstances will unrecorded assets or transactions be tolerated, regardless of their intended purpose or use.

Under no circumstances shall improper, intentionally inaccurate or false entries be made in any of the Company's financial records.

It must be emphasized that an intention to deceive or defraud is not required to constitute a violation of any of these standards.

To ensure compliance with these standards, all Associates are expected to give complete cooperation to MSC's financial accounting organization, internal audit and independent outside auditors.

Any Associate having information regarding: (i) any hidden fund or asset; (ii) any false or artificial entry in the books and records of the Company; (iii) any inappropriate payment; or (iv) any complaint regarding accounting, internal accounting controls or auditing matters shall promptly report such information to the Director of Internal Audit or the appropriate contact identified in Part 1B above. Associates may submit such information anonymously.

PART 1 – STANDARDS OF BUSINESS ETHICS

- **Bribes, Kickbacks and Other Improper Payments**

No Associate of the Company may enter any agreement or arrangement where the intent or probable result is to improperly reward:

- a government official or representative;
- an owner, employee or representative of a supplier, customer or competitor; or
- an officer, official, member or representative of a labor union.

The purpose of this rule is to prohibit inappropriate or illegal inducements to individuals to take actions favorable to the Company but which may be inconsistent with the interests of their own organization or contrary to law.

It is particularly important in these situations to avoid even the appearance of impropriety. Our concern is not whether a gift, donation or service is technically legal or customary, but also whether the public might reasonably view such an inducement as improper or unethical if all the circumstances were disclosed.

The following situations tend to create the appearance of impropriety and are prohibited:

- Payments to Public Officials: Any consideration given to a public official, unless authorized by statute.
- Excessive Payments: When the value of the payment exceeds the reasonable value of the service being performed. Excessive payments tend to suggest that some of the payment is being channeled to the individual involved, or is otherwise being used improperly.
- Payments Inducing Breaches of Duty: Payments that induce an individual to act without regard for those whom he/she represents (for example, paying an employee of a competitor for confidential information).
- Deceptive Payments: Payments made with the intention or understanding that the payment would be used for other than its stated purpose.
- Kickbacks: Payments made to induce a public official, or the employee of a customer or supplier, to direct business to MSC or otherwise take action that favors the Company in a manner that is or appears to be improper or unethical.

- **Transactions Outside the Prohibitions of this Code**

This Code is not intended to restrict normal business transactions in which the consideration paid is appropriate and reasonable in relation to the services or goods provided. The following factors should be considered in determining whether a transaction falls within this category:

PART 1 – STANDARDS OF BUSINESS ETHICS

- Appropriateness of Consideration: Consideration is appropriate when it is given openly to an individual providing the Company a service or a product which is generally recognized as legal and proper.
- Reasonableness of Consideration: Relevant factors in assessing the reasonableness of consideration paid to a vendor include the type of service performed, the expertise involved, the time spent, the conditions under which the service was rendered, the importance to the Company of the results achieved and the cost of comparable services in the marketplace. Paying an individual with some technical expertise in his or her field at his or her usual rate, even if expensive, can be reasonable if the services are valuable to the Company.
- Entertainment and Gift Business Expenses: In the course of normal business activities, it is often appropriate and customary to incur entertainment, gift or similar business expenses. Associates are expected to exercise good judgment in determining whether a given expenditure is consistent with this policy. Entertainment expenses should be reasonable for the circumstances involved. Gifts and entertainment expenses that are excessive and not customary should be avoided. As always, if you have any question as to whether an amount is appropriate, ask your Supervisor, Manager or the Director of Internal Audit.

The Company also expects its Associates to comply with the Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), which prohibits the making or offering of any payment to any foreign official to induce that official to affect any governmental act or decision or to assist the Company in obtaining or retaining business. In addition, the Company expects its Associates to comply with all anti-bribery, anti-corruption and similar laws applicable in the countries in which we operate. No MSC Associate anywhere in the world may make a bribe, payment or gift to any governmental official whether or not there is an intent to influence. More information regarding the FCPA can be found below in Part 1F ("Dealings With Governments").

In addition, the Company expects its Associates to comply with the United Kingdom's Bribery Act 2010 (the "Bribery Act"), which became effective on July 1, 2011. The Bribery Act criminalizes commercial bribery (i.e., bribery in the private sector) and bribery of government officials in the United Kingdom and abroad, and also criminalizes failure by a corporation to prevent bribery committed on its behalf. The Bribery Act also criminalizes requesting or receiving a bribe.

It is important that all Company Supervisors and Managers adhere to, and ensure that those who report to them adhere to, the Company's strict policy against bribery and improper payments.

- **Quality and Productivity**

Quality means excellence. Excellence in the way we provide value to our customers; excellence in how we communicate with each other; excellence in keeping promises we make to our customers and each other; excellence in everything we do. Quality is every Associate's responsibility. We must relentlessly search to find better ways to do everything that we do. We embrace change and continuous improvement; we encourage new ideas; we reward creativity; we welcome challenges; and we learn from our mistakes. We are committed to being the best.

- **Regulatory Compliance**

The Company intends to conduct its business in compliance with all applicable federal, state and local statutes and regulations, including those governing wholesale distribution.

PART 1 – STANDARDS OF BUSINESS ETHICS

- **Safety and Health Standards**

We are all responsible for maintaining a safe workplace by following safety and health rules and practices. MSC is committed to maintaining its workplace free from hazards and to this end will perform risk assessments to identify potential safety and health concerns and take appropriate measures to eliminate or control identified hazards, as well as comply with regulations in this regard. We will provide safety training and equipment to protect Associates from injury. Associates at all levels are expected to maintain safety awareness, act responsibly and employ sound judgment at all times. As part of this responsibility, Associates should immediately report any accidents, injuries and unsafe equipment/practices or conditions to a Supervisor, Manager or other designated person. We recognize that our ability to serve our customers is enhanced by a safe and healthful work environment. We also recognize that ongoing Associate input and education is key to proactively identifying and solving health and safety issues. Safety committees may be used to encourage Associate involvement with identifying potential safety issues and developing solutions. We will actively work to continuously improve the safety of our Associates.

Our health and safety standards are:

- Occupational Safety

We will identify and control potential safety hazards through proper training, design, engineering and administrative controls, preventative maintenance and safe work procedures. Where hazards cannot be removed or adequately controlled, we will provide personal protective equipment.

- Emergency Preparedness

We will identify and assess potential emergency situations to minimize their impact on our Associates and business through the creation of Emergency Action Plans and Associate training.

- Occupational Injury and Illness

We have procedures and systems in place to manage, track and report occupational injury and illness, including provisions to: encourage worker reporting; provide necessary medical treatment; investigate cases and implement corrective actions to prevent recurrence; and facilitate the return of Associates to work.

- Industrial Hygiene

Associate exposure to chemical and physical agents will be identified and controlled. When hazards cannot be adequately controlled by engineering and administrative means, Associates will be provided with appropriate personal protective equipment.

- Product Safety

We will quickly respond to and cease distribution of any products that have been identified to us with potential or known existing unacceptable health, safety or environmental risks or do not comply with applicable law. We will strive to proactively ensure that suppliers provide us with products that are compliant to applicable laws and safe for use.

PART 1 – STANDARDS OF BUSINESS ETHICS

- **Environmental Policy**

Environmental responsibility is an integral part of our business mission. Associates at all levels are required to follow Company procedures designed to meet the standards set by applicable environmental regulations. We will strive to minimize environmental impacts from our operations to the communities in which we operate as well as natural resources. We will actively work to continuously improve our environmental protection programs. Our environmental standards are:

- Environmental Permits and Reporting

We will obtain, maintain and keep current all required environmental permits and registrations necessary to conduct our business and will follow their operations and reporting requirements.

- Pollution Prevention and Resource Reduction

We will strive to reduce or eliminate waste(s) at their source by means of process modifications, maintenance and facility processes, material substitution, conservation, and the recycling and re-use of materials.

- Hazardous Substances

Chemical and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, recycling or reuse and disposal.

- Product Content Restrictions

We will not knowingly sell non-compliant products to our customers. We will maintain an Environmental Health and Safety department to review products and evaluate their compliance with all applicable environmental laws and regulations regarding prohibition or restriction of specific substances, including labeling laws and regulations for recycling and disposal.

- Promote the Development and Sale of Environmentally Friendly Products

We will strive to identify and provide items to our customers that will help protect the environment through the use of less toxic or harmful ingredients and/or items that will help to reduce consumption of natural resources. These may include, but will not be limited to, products that help to reduce energy consumption, provide water conservation, have been made with or from recyclable materials, or can be recycled after use.

- **Antitrust and Unfair Trade Practices**

MSC and our Associates are required to comply with the antitrust and unfair competition laws of the United States and the countries where we do business. These laws are complex and vary considerably from country to country. They generally prohibit agreements with competitors that harm customers, including price fixing and allocations of customers or contracts. Under some circumstances, these laws prohibit agreements that unduly limit a customer's ability to sell a product, including establishing the resale price of a product or service or conditioning the sale of products on an agreement to purchase other MSC products and services. In some situations, they also prohibit unilateral conduct - such as pricing a product below cost in order to eliminate competition.

Under the Federal Trade Commission Act of 1914, as amended, and various state laws, unfair methods of competition and unfair or deceptive acts or practices are unlawful. The prohibition

PART 1 – STANDARDS OF BUSINESS ETHICS

broadly covers misrepresentation of all sorts that are made in connection with sales, whether orally or in writing, and a number of other types of unfair acts or practices. These laws prohibit a wide range of deceptive, unfair and unethical practices, including such activities as false or misleading advertising, the use of lotteries in the sale of products, bribery of Associates, competitors or customers, unfair disparagement of competitors or customers, unfair disparagement of a competitor's products, and stealing trade secrets or customer lists. This is not an exhaustive list, but is merely intended to indicate the broad reach of these laws.

MSC has a comprehensive policy concerning antitrust and unfair trade practices that all Associates are required to be familiar with and adhere to (see Part 5).

F. DEALINGS WITH GOVERNMENTS

As a contractor for various federal, state and local government agencies, it is critical that MSC Associates follow the applicable regulations regarding gifts to government personnel. At no time will any MSC Associate offer to give or promise to give any government official or employee a gratuity, gift, entertainment tickets, payments, fees, services, special privileges, pleasure trips, loans, other favors or anything of value. Exceptions are advertising or promotional items with nominal value such as a calendar or mug, which may be offered on an occasional basis to all Customers. When conducting business with any government official, specific care must be exercised in association with these gifts.

- **Political Contributions in the United States**

No contributions of Company funds will be permitted in connection with any federal, state or local election. This prohibition includes performance of services or providing anything of value by an Associate as part of his or her duties for the Company. Certain expenditures of Company funds in connection with proper lobbying activity are permissible, but only with the written approval of the Chief Executive Officer.

- **Political Activities Outside the United States**

Political activity outside the United States is similarly prohibited. No political contributions using Company funds will be authorized. However, funds may be provided in connection with proper lobbying activities, typically through a trade association. All expenditures of this type require approval of the Chief Executive Officer.

- **Foreign Corrupt Practices Act of 1977, as amended (the "FCPA") and Similar Laws**

The FCPA prohibits domestic companies from making payments to any foreign official, political party official or candidate for political office in order to influence a business decision.

MSC is committed to full compliance with the requirements and spirit of the FCPA and any similar anti-corruption or anti-bribery laws in the foreign jurisdictions in which MSC does business. While certain payments to foreign officials are not necessarily prohibited by the FCPA, it is often difficult to distinguish between legal payments and illegal bribes under FCPA rules. Therefore, payments, gifts or entertainment, regardless of amount, to foreign governmental officials and personnel to obtain or keep a business relationship with the Company shall not be allowed without the prior authorization of the Chief Executive Officer.

PART 1 – STANDARDS OF BUSINESS ETHICS

- **Procurement and Government Contracts**

State, local and federal agencies have strict rules concerning sales contracts and procurement. All transactions or dealings with such agencies are subject to the Company's Government Procurement Policy.

- **Facilitating or Accommodation Payments**

Facilitating payments are gratuities given to foreign governmental personnel outside the United States to induce such personnel to perform in a timely fashion what are basically routine ministerial or clerical functions, or to provide routine services to which the Company is clearly entitled under local law. Such payments are permitted under the FCPA if they are limited to customary amounts, are made only to facilitate proper performance of the officials' duties, do not violate any anti-bribery or other laws of the jurisdiction in which the payments are made, and are properly recorded in the books and records of the Company. It is important to understand that although a facilitating payment may be permitted under the FCPA, the payment may nevertheless be prohibited by applicable anti-corruption laws in relevant foreign jurisdictions.

Therefore, any Associate who wishes to make a facilitating payment to any official of a foreign government must first obtain the permission of the Chief Executive Officer.

Special billing or payment procedures which suggest possible violations of law (for example, evasion of income tax, currency exchange controls or price or profit controls) are contrary to the Company's policies and are prohibited. Any questions regarding a particular practice should be addressed to the Internal Audit Department.

Violation of any part of this policy may result in corrective action up to and including termination and/or legal action. MSC may skip or repeat steps or forego progressive corrective action altogether, depending upon individual circumstances.

PART 2 – TRADE SECRETS AND CONFIDENTIAL INFORMATION

It is very important for all Associates to safeguard MSC's trade secrets and confidential information. This includes the use and dissemination of confidential or proprietary information obtained from or belonging to MSC and/or previous employers. We are also responsible for safeguarding confidential information of other companies that we gain pursuant to agreements with them.

The protection of confidential and proprietary information and trade secrets is vital to the interests and success of MSC. Associates may have important information not generally known to the public about MSC or other companies with which MSC is doing business that could cause competitive or legal damage to the Company if improperly disclosed. Associates are required to sign an Associate Confidentiality, Non-Solicitation and Non-Competition Agreement as a condition of employment. Associates should not, without proper authority, give or release data or information of a confidential nature concerning the Company or its Associates to anyone not employed by the Company, or to another Associate who has no need for such data or information.

Confidential information does not have to be patentable, just not publicly known. Examples of confidential information include such items as information relating to processing, manufacturing, marketing, or selling MSC products or services, customer lists, call lists, customer data, memoranda, notes, records, technical data, sketches, plans, drawings, chemical formulae, trade secrets, composition of products, research and development data, sources of supply and material, operating and cost data, financial information, personal information and information contained in manuals or memoranda. "Confidential Information" also includes proprietary and/or confidential information of customers, suppliers and trading partners who may share such information with MSC pursuant to a confidentiality agreement or otherwise.

Our guidelines for safeguarding the Company's trade secrets and confidential information are as follows:

- Treat confidential information on a "need to know" basis within the Company.
- Do not post or discuss confidential information on social media.
- You may not use confidential information for your own benefit or for the benefit of others outside the Company without permission.
- If you need to disclose our own trade secrets or confidential information to any person outside the Company, it should be done only in conjunction with an appropriate trade secret or confidentiality agreement signed by the parties involved. Prior to entering into any such agreement on behalf of the Company, you should consult with General Counsel.
- You should always guard against inadvertent disclosures, which may arise in either social conversations or in normal business relations with our suppliers and customers.
- All media inquiries should be forwarded to the Director, Communications. Do not speak to the media unless you are a trained MSC designated representative.

PART 2 – TRADE SECRETS AND CONFIDENTIAL INFORMATION

In terms of confidential and proprietary information of other companies:

- MSC occasionally exchanges or receives trade secrets or other confidential information from other companies. These exchanges are only conducted through an exchange of confidentiality agreements signed by the parties involved. If you have a business need to give or receive confidential information, you are required to complete a Confidentiality Agreement before disclosure. Prior to entering into any such agreement on behalf of the Company, you should consult with General Counsel.
- While you should always be alert to our competitive surroundings and obtain as much information as possible about our competitors, you must do so only in accordance with sound and ethical commercial practices. If you are approached with any offer of confidential information which you believe may have been obtained improperly, you must immediately notify your Supervisor, Manager or the Director of Internal Audit.
- MSC expects that its Associates will respect and abide by confidentiality agreements they may have entered into with prior employers.
- MSC also expects that its Associates will take all other reasonable measures to protect the Company's trade secrets and confidential information.
- When you leave MSC, your obligation to protect its trade secrets and other confidential information continues until the information becomes publicly available or MSC no longer considers it a trade secret or confidential.

Any Associate who improperly uses or discloses trade secrets, confidential business or Associate information may be subject to corrective action, even if the Associate does not actually benefit from the disclosure or use of such information. Such corrective action may include, among other things, termination of employment and/or legal action. All requests or inquiries for confidential Company information should be directed to your Supervisor, Manager or the Human Resources Department, unless you are duly authorized to speak on behalf of the Company. Any Associate who is aware of any violations of the MSC Confidentiality Policy must report such activity to a Human Resources Department representative.

PART 3 – GOVERNMENT INVESTIGATIONS

It is both unlawful and a violation of this Code to retaliate against any person for providing truthful information to any law enforcement officer relating to the commission of any offense.

It is MSC's policy to fully cooperate with government investigations. A condition of such cooperation, however, is that the Company be represented by its own legal counsel. If you believe that a government investigation or inquiry is imminent, this information should be communicated immediately to General Counsel.

Appropriate handling of government investigations is very important. Violations of any of the laws or regulations governing the conduct of the Company's business, including, without limitation, those relating to antitrust matters, securities, occupational health and safety, environmental, government procurement, and tax and financial matters, can result in both civil and criminal penalties. Criminal penalties may also apply to those individuals within the Company who either took the actions that resulted in a violation or failed to take any actions necessary to prevent a violation.

Therefore, no Associate should ever, under any circumstances, do any of the following:

- Destroy any Company documents in anticipation of, or after receiving, a request for those documents from any government agency or court of law;
- Alter any Company documents or records in an attempt to defraud or mislead;
- Lie or make any misleading statements to any governmental investigator; or
- Attempt to get anyone else to engage in these prohibited activities.

PART 4 – TRADING IN COMPANY SECURITIES AND COMPANY POLICY ON INSIDER TRADING

MSC is a public company and is traded on the New York Stock Exchange under the symbol “MSM”. The Securities Exchange Commission (“SEC”) regulates stock traded on the New York Stock Exchange. The laws governing prohibitions on insider trading (as well as the Company’s policies prohibiting such activity) are described in the Company’s separate Insider Trading Policy, which has been distributed to all Associates and is available on SharePoint to all Associates employed by the Company.

PART 5 – ANTITRUST AND UNFAIR TRADE PRACTICES

A. INTRODUCTION

Our economic system is based on the belief that competition in the marketplace provides the strongest assurance that the consumer will obtain the best product at the lowest price. Antitrust laws are intended to promote this system by protecting and encouraging vigorous competition. Accordingly, any agreements or actions “in unreasonable restraint of trade”—those that are likely on balance to reduce or eliminate competition – are unlawful, and must be avoided.

B. GUIDELINES FOR COMPLIANCE

Most antitrust violations are the result of an “agreement” with a competitor, customer, supplier or other person. The form of the agreement is immaterial. Oral statements, handshakes, “side letters,” “gentlemen’s agreements,” body language and other kinds of conduct from which agreement may be inferred may be considered violations. The important point is that an antitrust violation does not require a formal, written agreement. The following guidelines are intended to help us minimize the risk of antitrust violations, and even the appearance of impropriety.

MSC and our Associates are required to comply with the antitrust and unfair competition laws of the United States and the other countries in which we do business. The following policy statement highlights certain aspects of state and federal antitrust and unfair trade practices laws, but is not intended to be an exhaustive summary. If a question arises as to how domestic or international antitrust laws apply to a particular business situation, or whether our existing business practices comply with the law, every Associate has both the right and responsibility to review the question by contacting the Company’s General Counsel.

Agreements with Competitors

Certain agreements with competitors are per se violations of U.S. federal antitrust law. That means they are unlawful, regardless of whether they actually affect competition. Per se violations are generally prosecuted criminally by the U.S. Department of Justice. In such situations, both the Company and its Associates may be prosecuted; the Company may be fined; and the Associate may be fined and sent to prison. In light of this risk, there should be no communications or agreements with competitors without the prior approval of the Chief Executive Officer of the Company. In furtherance of this policy, no Associate should discuss or enter into:

- Any agreement with a competitor on prices, bids, discounts, profit margins or promotional terms—whether to fix prices, fix terms and conditions of sale or otherwise to affect prices or terms and conditions of sale;¹
- Any agreement not to bid on a given contract opportunity or not to provide a quote to a particular customer or potential customer;
- Any agreement with a competitor to divide markets through allocation of sales territories, product lines, or classes of customers or suppliers;
- Any agreement with a competitor to limit or restrict production or sale of goods or services;

¹ The only exception to this policy is when the Company sells to or purchases from a competitor. In such situations, it is permissible to discuss or agree upon prices charged to or by the Company relating to transactions with that competitor. However, it should be clearly understood that unless there are exceptional circumstances that have been cleared in advance with the Chief Executive Officer, you are prohibited to discuss or agree upon prices, or any other terms or conditions of sale, outside of these limited circumstances.

PART 5 – ANTITRUST AND UNFAIR TRADE PRACTICES

- Any agreement with a competitor limiting competition on the basis of product quality; **or**
- Any agreement with a competitor to “blacklist” or otherwise refuse to deal with a supplier, customer or other third party;

These are only examples, not an exhaustive list, of potentially unlawful, even criminal, agreements. Except in connection with bona fide sales to, or purchases from, a competitor, there should be no agreement with a competitor, or even discussion with a competitor of a possible agreement, without the prior authorization of the Chief Executive Officer of the Company.

Customer Relations

Agreements with customers may also create antitrust exposure. Agreements with customers concerning resale of the Company’s products or services are generally lawful, but they can raise antitrust issues. Therefore, they must be addressed on a case-by-case basis. These agreements should be reviewed by General Counsel before they are entered into. Accordingly, no Associate shall, without the approval of General Counsel, enter into:

- Any agreement with a customer to fix or affect the customer’s resale pricing, or otherwise to fix or affect terms and conditions of resale;
- Any Cooperative Advertising Plan or Minimum Advertised Price Plan;
- Any agreement restricting a customer’s sales territory or right to resell to a particular class of customers;
- Any “exclusive” arrangement or other agreement with a customer barring the customer from purchasing or dealing in a competitor’s products;
- Any agreement with a customer that “ties” or conditions the sale of one product on the customer’s agreement to purchase another product as well;
- Any agreement with a customer that requires the customer to purchase a full line of products in order to be entitled to purchase an individual product within the line; or
- Any agreement or transaction with a customer based on the principle of “reciprocity”—“I will buy from you if you buy from me.”

In addition, General Counsel should be consulted before the Company refuses to sell to any customer or prospective customer other than for valid credit reasons, because refusals to sell can lead to antitrust litigation. Usual credit sources may be consulted in reaching an independent decision to deal with a customer or supplier.

Price Discrimination and Cooperative Advertising

As a general rule, a seller may not charge competing customers different prices, or provide different discounts or terms of sale for the same good. This general rule against “price discrimination” is included in the Robinson-Patman Act, one of the federal antitrust laws. The Robinson-Patman Act prohibits price discrimination in the sale of identical goods to customers who compete against each other or who purchase from the Company’s competitors. This prohibition against price discrimination extends to cooperative advertising programs offered to customers who resell the Company’s products. It also bars a buyer from knowingly inducing or receiving discriminatory prices or terms of sale from a supplier. The Robinson-Patman Act does not bar price discrimination in the sale of the Company’s services. It is limited to the sale of tangible products.

PART 5 – ANTITRUST AND UNFAIR TRADE PRACTICES

The Robinson-Patman Act is exceptionally complex and generally requires the advice of antitrust counsel when price discrimination issues arise. Thus, any Robinson-Patman question that comes to your attention should be brought to the attention of General Counsel. This includes offers or programs made available to the Company's customers under its Cooperative Advertising Plan.

One defense under the Robinson-Patman Act—the “meeting competition” defense—is mentioned here because it is generally known to sales and marketing professionals and is the subject of some misunderstanding. Under that defense, a seller is permitted to “meet but not beat” the lower price offered to the customer by a competitor of the seller. In order to take advantage of the meeting competition defense, you must have a good faith belief that the competitor has in fact offered the lower price to that particular customer. The Company will provide the Sales Department with separate procedures for verifying prices in “meeting competition” situations. However, Associates are forbidden from communicating with competing sellers to verify whether they have in fact offered lower prices to the customer in question.

Trade Association Activities

Trade association meetings, when properly conducted, are perfectly legal. These meetings, however, provide opportunities for informal gatherings of competitors and can be a spawning ground for anti-competitive activities. They are also frequently investigated by the Department of Justice. If you are present at a trade association event (or any other situation where competitors are present) and a discussion begins to stray into a prohibited area, (such as pricing, contract bidding or customers) you should immediately object to the discussion and insist that it be terminated immediately. If the discussion continues, you should restate your objection, state that your company's antitrust compliance policy bars you from participating in the discussion, and leave the room. If possible, you should do something that will increase the likelihood that the others will remember your exit, such as making a mess knocking over a large glass of juice or soda, or a coffee pitcher. Any incident involving the discussion of competitively sensitive topics at a trade association meeting (or any other meeting of competitors) should be reported promptly to General Counsel.

A trade association may legitimately conduct programs by which information about past average industry prices is compiled and disseminated to its membership. An association may also compile and publish various other kinds of industry statistics. As a general rule, however, a trade association should not publish prices or other statistics concerning individual companies. In any case where statistical reporting programs are undertaken for the first time, or where an association is modifying an existing program, the Company's submission of information to be used in the program must be reviewed and approved in advance by General Counsel.

In certain cases, trade associations may legitimately undertake publication of product standards, certification of products, industrial joint research programs, publication of codes of ethics or advertising codes, credit information service, special lobbying programs, sponsorship of discussions of labor relations practices, or similar activities. In any such case, the Company's participation in the program must be reviewed and approved in advance by General Counsel.

Joint Ventures

The courts and antitrust enforcement agencies recognize that joint ventures may benefit consumers by promoting the development of new products, efficiencies and other procompetitive benefits. But they also recognize that, depending on the circumstances, joint ventures between

PART 5 – ANTITRUST AND UNFAIR TRADE PRACTICES

competitors may restrain competition and violate the antitrust laws. Moreover, discussions with competitors about the possibility of forming a joint venture or strategic alliance may result in exchange of competitively sensitive data or create an appearance of inappropriate conduct. Accordingly, joint ventures and strategic alliances should not be discussed or proposed with competitors without the prior review and approval of the Chief Executive Officer of the Company.

Mergers and Acquisitions

Mergers and acquisitions are quite complex and may raise antitrust concerns, especially when they involve competitors. Like joint venture discussions, exchange of information with competitors about a possible merger can be competitively problematic. Accordingly, no Company Associate is authorized to discuss a potential merger or acquisition or to prepare written reports on a potential transaction without the prior review and approval of the Chief Executive Officer of the Company.

Information Exchanges

Exchanging price or other non-public, competitively sensitive information may contribute to a finding of unlawful price fixing or market allocation. For this reason, Company policy forbids discussion or communication by the Company's Associates with a competitor concerning past, present or future sales prices, pricing policies, bids, discounts, promotions, terms or conditions of sale, sales volume, customers, territorial markets, costs, inventories, product plans, market surveys or production. Company policy also prohibits providing to, or receiving from, a competitor, price lists or strategic plans, unless the Chief Executive Officer of the Company determines in advance that such an exchange is appropriate. The only exception to the above rule arises where a competitor is also a customer or supplier, in which case price information related to the transactions between the Company and the customer or supplier may be communicated. Finally, as a general rule, no Company Associate should take part in a meeting or conversation with competitors outside the scope of legitimate trade association, joint venture, merger, acquisition, purchase or sale activities, where those discussions have not previously been authorized by the Chief Executive Officer of the Company.

Brokerage

Brokerage fees shall not be paid directly or indirectly to a customer or a customer's agent or representative on purchases for their own account. All agreements appointing brokers must contain an express provision prohibiting the broker from passing on any part of its commission to a customer or to a broker or representative of the customer (for example, a buying group).

Unfair Trade Practices

State and federal laws prohibit certain deceptive trade practices. The following guidelines will minimize the risk of violations:

- Misrepresentation and Unsubstantiated Claims: No Associate shall make material misrepresentations in connection with the sales of Company products. All claims must be capable of substantiation at the time they are made.

PART 5 – ANTITRUST AND UNFAIR TRADE PRACTICES

- False and Misleading Merchandising Program – Disparagement: No Associate shall falsely disparage a competitor's product. Even true statements about competitors' products could involve the Company in expensive lawsuits.
- Threatening Lawsuits or Other Threats: No Associate shall issue threats of any kind, including threats to bring patent infringement or other suits, against a competitor without prior approval by General Counsel. Such threats directed against a customer, a supplier or competitor's customer or supplier also should not be made without prior approval by General Counsel.
- Procurement of Confidential Information: Certain methods of obtaining a competitor's confidential information are unlawful. Any attempt or fortuitous opportunity to obtain such information should be reported to your Supervisor, Manager or the Director of Internal Audit.

C. REPORTING

Associates must report any suspected violations of these policies to their departmental Vice President or the Director of Internal Audit. Associates who wish to remain anonymous may submit reports in confidence. All reports must contain sufficient information for the Director of Internal Audit to investigate the concerns raised. Please note that the Company is dedicated to strict compliance with all provisions of applicable law that prohibit retaliation against any Associate because of a lawful act taken by such Associate in reporting suspected violations to his or her supervisor or to any other Associate with authority to investigate misconduct. The Company will attempt to treat such reports confidentially and to protect the identity of the reporting Associate to the maximum extent possible, consistent with fair and rigorous enforcement of these policies. Self-reporting by Associates who believe they may have violated these policies will be considered as a mitigating factor in determining the appropriate corrective action.

D. CONSEQUENCES OF NON-COMPLIANCE

Associates who fail to comply with the antitrust laws may jeopardize the reputation and business interests of the Company, as well as their own careers. Antitrust violations carry stiff criminal and civil penalties, including fines for corporations and fines and jail terms for individuals. The consequences of noncompliance with this policy statement include:

- **Criminal Prosecution—Fines and Imprisonment**

The criminal penalties for violating the antitrust laws are severe, and the present enforcement trend is to prosecute not only the company involved but also the Associates personally. In the United States, a violation of the Sherman Act is a felony for which a company can be fined up to \$100,000,000 for each offense; and for which an individual can be fined up to \$1,000,000, and can be imprisoned for up to 10 years, for each offense.

- **Treble Damage Judgments**

The antitrust laws also provide for civil penalties. Persons or businesses injured by violations of the antitrust laws may recover three times the amount of their damages, plus litigation costs.

PART 5 – ANTITRUST AND UNFAIR TRADE PRACTICES

The potentially enormous size of these judgments can seriously jeopardize a company's profitability or even solvency.

- **Injunctions**

The government and injured persons or businesses may also obtain injunctions against further antitrust violations. The breadth of these injunctions can severely handicap a company's ability to compete.

- **Corrective Action**

Any Associate who violates these policies commits an act that can seriously impair the Company's resources and reputation. Therefore, it is the Company's policy to impose appropriate corrective action for such violations, ranging from warnings and reprimands to termination of employment. In addition, Supervisors and Managers may be disciplined for failure to instruct and supervise their direct reports adequately; or for failure to detect noncompliance with applicable policies and legal requirements, where reasonable diligence on the part of the Supervisor or Manager would have led to the discovery of such noncompliance or violations and provided the Company with the opportunity to take timely corrective action.

PART 6 – EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION POLICY AND INTERNAL COMPLAINT PROCEDURE

A. EQUAL EMPLOYMENT OPPORTUNITY AND AFFIRMATIVE ACTION POLICY

MSC is committed to its Equal Employment Opportunity Policy and will take affirmative steps to ensure compliance with this policy through our Affirmative Action Program. Please refer to the Equal Employment Opportunity and Affirmative Action Policy in the Associate Handbook for additional information.

B. INTERNAL COMPLAINT PROCEDURE

If any Associate believes he or she has been subjected to discrimination or harassment of any kind, the Associate has the right to file a complaint.

Please refer to the Harassment-Free Policy and/or the Open Door Policy in the Associate Handbook for additional information.

APPENDIX A

Listed below are examples of unethical and/or prohibited behaviors and activities for your reference. It should be noted that the list does not cover all situations. Associates should refer to the Code and exercise good judgment in performing their jobs.

Part 1 - Standards of Business Ethics

Unlawful and Unethical Behavior

1. Concealing unethical and/or prohibited behavior and activities.
2. Falsifying information on timesheet (i.e., hours worked, including overtime).
3. Falsifying information on one's expense report.
4. Approving mileage for an Associate who has a Company car or receives a car allowance.
5. Submitting alcohol-related charges of a personal nature on expense reports for reimbursement.
6. Submitting false receipts for expense reimbursement.
7. Using alcohol or illegal drugs on Company time or property.
8. Submitting false medical claims for reimbursement.
9. Engaging in unlawful business activities.
10. Making false entries that intentionally hide the true nature of a business transaction.
11. Destroying Company records to cover up unethical or prohibited behavior and activities.
12. Falsifying, misstating, altering and/or distorting Company data, books and/or records.
13. Offering bribes and/or kickbacks to obtain business for the Company.
14. Retaliating against or reprimanding an Associate for reporting unethical or prohibited behaviors and activities.

Conflicts of Interest

1. Accepting bribes or kickbacks in return for awarding work.
2. Using the Associate purchase account to purchase items for purposes other than personal use.
3. Using the Associate purchase discount program to make purchases at a discounted price for customers.
4. Having a personal business relationship with a competitor, customer or vendor that presents a conflict of interest for the Company.
5. Accepting or giving gifts of more than token value from contractors and suppliers.
6. Accepting or giving holiday gifts of more than token value.
7. Taking part in any situation in which one's personal interest conflict with those of the Company without a Supervisor or Manager's approval.
8. Failing to report a conflict of interest to your Supervisor or Manager.

Business Practices

1. Circumventing (i.e., working around) the Company's policies and procedures.
2. Knowingly setting up accounts for, or the extension of credit to, customers whose financial history has not been appropriately researched, reviewed and approved.
3. Abusing or wasting Company assets.

Part 2 - Trade Secrets and Confidential Information

1. Responding to inquiries for Company information from the media.

Part 3 - Government Investigations

1. Inappropriately handling a government investigation.

Part 4 - Trading in Company Securities and Company Policy on Insider Trading

1. Sharing confidential Company information with anyone, including family members and friends.
2. Profiting from the sale of Company stock based on insider (non-public) information.

Part 5 - Antitrust and Unfair Trade Practices

1. Agreeing with a competitor concerning the price each company will charge customers for competing products.
2. Agreeing with a supplier not to sell to certain customers, without first securing approval from General Counsel.
3. Falsely telling a customer that a competitor's product wears out after one use.

Part 6 - Equal Employment Opportunity and Affirmative Action Policy

1. Making disparaging remarks about an Associate's ability due to their age.
2. Making unwelcome sexual advances toward an Associate.
3. Making employment decisions based on an Associate's race or religion.