INTEGRITYMATTERS

Insights and ideas for a better workplace

Olin

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CODE OF CONDUCT

Olin Helpline

1-800-362-8348

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1-203-750-3100

FEATURE STORY

Conflicts of Interest – They're Different at Work

Sometimes, a conflict of interest at work can seem like a normal part of everyday life. That's one of the reasons that conflicts can be so difficult to understand.

Imagine this scenario...

You're outside working in your yard and a neighbor calls out, "You have the best-looking garden in the neighborhood! How do you do it?" You say it's because of a new plant food you found and you give your neighbor the phone number of the company that sells the product. "You should really try it," you say. "Mention my name and they'll cut you a good deal."

What you don't tell your neighbor is that your brother-in-law owns the company. You don't tell your neighbor that you get the product free. And you don't tell the neighbor that you get $20 for every customer you refer.

In your home life, it probably makes sense to steer business to your brother-in-law, especially if you like the product. And getting a small reward for the referral isn't a big deal, either. In the end, you figure, everyone wins. The neighbor gets a good product, your brother-in-law gets new business, you get a $20 reward, and nobody was hurt.

In the business world, referring a potential customer to a company in which you have a personal, financial or other interest is considered a conflict of interest. Accepting a reward for the referral is considered a kickback. Either of these actions would be considered a violation of our Code of Conduct and could result in penalties for the company and for you.

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Conflicts of Interest – They're Different at Work (cont'd)

Conflicts exist – it's how we manage them that counts.

Conflicts of interest are an everyday fact of business life. For example, Olin hires employees because of their knowledge or experience in an industry, often gained in their employment with other companies in our field. Friends we have known since college may work for one of our competitors. A close family member may work for an Olin supplier or other business partner. Something overheard in a public restaurant may describe another company's strategy for winning a government contract that we are pursuing.

Early disclosure is key.

Many of us will, at one time or another, have a potential conflict of interest, but we cannot allow them to be hidden conflicts of interest.

Every Olin employee is expected to disclose any situation that gives even the appearance of a conflict of interest as soon as we become aware of it. As a company, we are required to disclose certain conflicts to appropriate regulatory agencies – a requirement we cannot meet if we don't disclose our personal conflicts of interest.

How to Disclose a Potential Conflict

If you have a potential conflict of interest – or even the appearance of a conflict – disclose it and ask for a conflict of interest review. You may disclose a potential COI to:

- Your supervisor or manager
- The head of your department, location or business unit
- Human Resources
- Your Division or Location Ethics Office
- Olin's Corporate Ethics Office
- The Legal Department
- Olin's confidential, 24 hour Help-Line service.

Once an issue has been disclosed, management will work with you to determine if a conflict of interest exists and what steps, if any, are required to deal with the situation.

Points to Consider

- Remember...The same behavior that is acceptable in our private lives could be a conflict of interest violation in the working world.
- Conflicts of interest are coming under increasing regulation and restriction by federal and state governments.
- Fraud and violations of anti-bribery laws can begin with an undisclosed conflict of interest.
- Multiple regulations require companies to disclose potential conflicts of interest. A failure to do so can result in the company's suspension, debarment or prosecution.

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Outside Work

One of the consequences of the current economy is that more people are considering the option of supplementing their income with outside employment. This might take the form of "moonlighting" or it might involve entrepreneurial efforts such as a "side business." Whether or not outside employment creates a conflict of interest depends on many factors.

The following is a list of things employees who are considering outside employment should be aware of:

- *It is never OK to work for an Olin competitor.* In addition, work for Olin customers, suppliers and other business partners can be a problem. If you are involved, even indirectly, in selecting, managing, or evaluating customers, suppliers or other business partners, you must disclose the situation to your supervisor or a higher level of management and ask for a conflict of interest review.
- *It is never OK to use our Intellectual Property or confidential information in outside work.* This information is essential to our continued success and we cannot afford to share it without taking proper contractual steps. Even ideas or opportunities which we have chosen not to pursue are the property of the Company and cannot be used by employees or others outside our workplace without Olin's approval.
- *It is never OK to use Company resources for personal gain.* Working on Company computers, using our e-mail system, our copy machines or supplies, or "borrowing" our staff in conjunction with outside work is not acceptable.
- *It is never OK for outside work to interfere with your job with the Company.* Employees who, because of outside work, are late, are unavailable for necessary work for the Company, or show up to work tired and ineffective are not pulling their weight. If you take an outside job, make sure it doesn't interfere with your job duties at Olin.

Don't forget about charitable activities.

Some things that fall under the rules governing "outside work" may not be paid work. Volunteer work for charities is a good example. It's a great thing for people to do, but it bears some of the same risks mentioned above.

If you choose to give your time without pay, make sure that you do not use company time or resources for the organization unless you have approval from managment. Also, if you serve on the board of directors of a charitable organization that receives donations or other payments from Olin, make sure that you disclose the situation to your supervisor and ask for a conflict of interest review.

To learn more about potential COIs and your responsibility to disclose them, refer to the following resources:

- *Olin's Code of Conduct*
- *Our policy on Conflicts of Interest (CPS 3.2)*
- *Olin's new Conflict of Interest Brochure*
- *The Advice & Guidance page on Olin's Business Practices website*

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Test Your Ethics I.Q.

Consider this situation...

You're in a position to select a consultant for some work at Olin. Your friend Bob has experience in the field and you know he would do a good job at a fair price. Does it matter if you choose Bob for the job?

Hiring decisions should be based only on the qualifications of the applicants. Even if Bob is well qualified and the best candidate, the fact that Bob is your friend could create the perception of a conflict. If it appears to other candidates, your fellow employees, customers, or our vendors that Bob was hired because of your personal relationship, the integrity of our company's decisions are compromised.

Furthermore, once Bob is hired, are you sure you can supervise his work without letting your friendship influence your evaluation? Even if you think you can do that, it might still appear to others that you can't separate Bob, your friend, from Bob, your consultant -- and that can lead to misunderstandings, disagreements, or even litigation.

Would your answer be different if you had a financial interest in Bob's company?

In this case, even if you disclosed your financial relationship as well as your friendship with Bob, the situation not only appears that you are favoring a friend, but Bob's selection could also benefit you financially. This situation clearly involves a conflict of interest that would eliminate Bob and the company from consideration.

Do I need to disclose any financial interest in an outside company?

If you own a small amount of stock in a company that does business with Olin, for example through a mutual or stock fund, you need not disclose this information. However if you or a member of your immediate family are a significant shareholder in an Olin competitor, customer, supplier, subcontractor or other business partner, you should disclose this information to your manager as soon as you become aware of it. We define "significant" as a 5% or more ownership interest in or obligation to the company.

Would it ever be OK to recommend Bob for a job at our company?

Yes, as long as you are not involved in the hiring decision and would not be involved in supervising Bob while on the job. To avoid misunderstandings, you still need to make it clear from the start that Bob is a good friend.

Family Relationships

Q: An Olin supplier is looking to hire a management trainee. My son has the right qualifications. How far can I go in recommending my son for the job?

A: You can introduce your son to your business associate and let them take it from there. This could become a conflict of interest if you make any statements to the vendor that implies future business or preferential treatment if your son is hired.

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Family Relationships (cont'd)

Q: I am responsible for negotiating a service contract with a new supplier. An employee who reports to me recommended a company that is owned by her cousin. The company's reputation is stellar and I would like to include them for consideration. Can I ask the company for a bid even though an employee who reports to me is related to the owner?

A: You may ask the company to compete for the bid as long as the employee who is related does not participate in the bidding or selection process and will not be involved in the management of the supplier should the company be chosen. It is also important to ensure that the employee does not share any confidential information about Olin with the company that could help the company be selected.

Q: Several years ago, I recommended my sister-in-law for a job at Olin and she accepted. Neither she nor I disclosed that we were related by marriage. Recently she was moved to my department where I will have supervisory responsibilities for her. I know that I can handle it impartially, but I'm afraid it would give the wrong impression if others knew of our relationship. She doesn't want to disclose our relationship as she is worried she might be moved to another department. What should I do?

A: It is never a good idea to keep family relationships a secret, even if you do not perceive an immediate need to report them, because ultimately, if job assignments change, you may find yourself in a situation that presents a real or perceived conflict of interest. You should report this relationship promptly to your supervisor or manager so that the situation can be evaluated fully and a decision reached as to whether a reassignment of your sister-in-law is required to prevent a conflict of interest. To do otherwise, would risk your own position as well as that of your sister-in-law's.

Q: Can my niece apply for a job in a department at Olin that I manage?

A: Olin does not allow a direct reporting relationship between family members, however, a family member may be allowed to work in the same department or on the same shift as long as the relationship is fully disclosed and processes are in place to ensure that all job duties and overtime assignments are based on objective criteria. In addition, all pay decisions and job performance evaluations must be handled by an independent person and monitored on an ongoing basis to ensure objectivity and fairness.

Q: I recently learned that an employee who works in my department is negotiating a contract with my wife's company. Could this create a conflict of interest for me?

A: A conflict of interest, or at least the appearance of a conflict of interest, could arise in this situation because of your supervisory position and the fact that there could be a perception that you have a personal bias in favor of your wife's company. You should notify your manager of your wife's employment with the company and remove yourself from any influence, discussions, negotiations or management of the relationship with this company. It is also important to ensure that you do not share any confidential information about Olin with your wife that could help the company in their negotiations with Olin.

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Family Relationships (cont'd)

Q: What should I do if I'm unsure whether a relationship, activity or opportunity represents a conflict of interest?

A: It is not possible to define every situation that might conflict with your employment at Olin, but you can begin by reviewing Olin's policy and asking yourself several questions:

- Does the activity or opportunity interfere (or appear to interfere) with your ability to do your job at Olin in an objective manner?
- Would you or a member of your family receive any personal benefits because of your position with Olin?
- Would the activity or opportunity put you or a member of your family in competition with the interests of Olin?

If you have answered "yes" to any of these questions, you should disclose the situation to your supervisor or a higher level of management and ask for a conflict of interest review. If a conflict exists, management will work with you to resolve the situation.

For additional Q&As on conflict of interest situations, please refer to the Advice & Guidance page on Olin's Business Practices website.

Policy details, including disclosure responsibilities, are available in Corporate Policy 3.2.

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