



RHEEM MANUFACTURING COMPANY

CODE OF BUSINESS CONDUCT AND ETHICS



The new degree of comfort!™

Chris Peel
President & CEO

July 2018

Dear Fellow Employees:

Rheem Manufacturing Company ("Rheem") has a rich heritage and proud history conducting business with the utmost integrity and highest ethical standards. We are committed to preserving and continuing our established reputation for uncompromising integrity in all our business activities.

As employees of Rheem or one of its affiliates, we are all expected to follow our Code of Business Conduct & Ethics ("Code"). This important Code reflects our culture and ethical principles that we must understand and follow. The core values of respect, dignity, integrity, honesty, teamwork, fairness and trust form the foundation of our Code.

If you have any questions or concerns concerning the Code, please contact your manager or local Human Resources representative.

Thank you for all your support as we continue to foster the valuable culture of Rheem and build on our past business successes as we grow together.

A handwritten signature in black ink, appearing to read "Chris Peel".

Chris Peel
President & Chief Executive Officer



INTEGRATED AIR & WATER

Rheem Manufacturing Company (collectively with its subsidiaries, the "Company," "Rheem", "we" or "our" as context dictates) has been committed to providing quality products and ethical business practices for years. We are dedicated to doing what is right and we expect our employees to uphold these same values. These principles are what separate us from our competitors. The Code of Business Conduct and Ethics ("Code") outlines our key business practices and ethical principles that we must understand and follow.

Every employee must have personal knowledge and understanding of the Code and adhere to the Code through professional, ethical conduct at all times while in the workplace, at all Company sponsored events on and off premises. This Code is provided to help you make the right business conduct choices. It applies to Rheem and all subsidiaries and affiliates worldwide.

RHEEM'S CORE VALUES

Rheem's values represent the operating principles that guide our conduct with fellow colleagues, as well as our relationships with our customers, partners, vendors and owners:

“We will **RESPECT** the opinions of others and treat people with **DIGNITY**, and adhere to sound moral character and act with **INTEGRITY**. We will conduct business activities with sincerity and **HONESTY** and foster an environment of **TEAMWORK, FAIRNESS, and TRUST**, without bias and free from discrimination. We will rely on one another to do what is right.”

RESPECT FOR OUR EMPLOYEES

Equal Employment Opportunity

As a global company, Rheem's employees reflect the diversity of cultures we serve around the world. We are enriched by that diversity, and we always strive to treat each other with dignity and respect. Rheem is firmly committed to a policy of equal employment opportunity and there shall be no discrimination or harassment against an employee or applicant for employment in violation of applicable laws. Our commitment to fairness extends to all stages of employment including (but not limited to): recruitment, hiring, performance review, discipline, separation, promotions, selection of employees for training programs and determination of wages and benefits.

Harassment

Harassment in violation of applicable laws will not be tolerated. Harassment can take many forms, all of which are unacceptable at our Company, including unwelcome jokes, threats, physical contact or other offensive action.

Unwelcome sexual advances, requests for sexual favors or other unwelcome verbal, nonverbal or physical conduct of a sexual nature or the display of sexually suggestive material are also unacceptable and will not be tolerated at our Company.

Respect

We expect every employee to respect the people and the cultures with which we work, to act responsibly and to treat co-workers with fairness and dignity.

Workplace Health, Safety and Security

The safety and well-being of all our employees is a prime concern of Rheem. Rheem is committed to providing a safe and healthy working environment. Remember, safety and security are a team effort – we require every employee to comply with applicable laws and company policies as they relate to ensuring the health, safety and security of our workplace. Employees are expected to work in accordance with good safety practices and report any unsafe conditions or injuries promptly. All employees are responsible for using safe work practices, for following all directives, policies and procedures, and for assisting in maintaining a safe and secure work environment.

Rheem is also committed to a non-violent working environment, free of threats, intimidation and physical harm. Any acts or threats of violence towards another person or company property should be reported immediately. The unauthorized possession and/or use of weapons by any employee while at work, on company property or while on company business is also strictly prohibited.

Drugs or Alcohol in the Workplace

Rheem is committed to providing a safe, productive work environment that is free from illegal drugs or alcohol abuse. Rheem recognizes that use of alcohol and/or illegal drugs can create serious health and safety risks and have implemented a drug-free workplace policy. Employees are not permitted to use, possess or be under the influence of alcoholic beverages or illegal drugs on company property.

Retaliation

Rheem encourages open and honest communication and has provided several channels to report concerns. Any employee who, in good faith, raises a concern or reports misconduct is complying with our Code. Taking action against someone in retaliation for bringing an issue forward is strictly prohibited. As a company, we take reports of retaliation seriously – anyone found to have retaliated against another individual for reporting a violation of our Code, other company policies and/ or applicable laws and regulations or for participating in an investigation of such violations, will be subject to disciplinary action, up to and including separation. Any employee who believes he/she is being subjected to prohibited retaliation should report the matter immediately to his/her local Human Resources Representative. Rheem does not tolerate retaliation against individuals for reporting complaints or unethical conduct in good faith to the Company.

RESPECT FOR OUR COMPANY

Conflicts of Interest

Rheem trusts its employees to make business decisions and take actions that are in the best interests of our company. A potential for conflict of interest exists any time an employee (or one of the employee's immediate family members – spouse, children and other close relatives) is involved in an activity that could affect the employee's objectivity in making decisions for our company. Examples of activities that might create a conflict of interest include accepting outside employment with our company's suppliers, customers or competitors or having a financial or beneficial interest in them. Employees should avoid any situation that creates a conflict of interest and never use their position, contacts or knowledge about the company for personal gain. It is important to remember that even the appearance of a conflict of interest must be avoided. If a conflict of interest – or the appearance of one – develops, employees must disclose it to their manager and seek guidance to determine the appropriate action to be taken.

Gifts and Entertainment

In conducting business with our customers, suppliers and other business partners, Rheem expects its employees to always be fair, impartial and act with integrity. Sharing gifts, meals and entertainment with customers, suppliers and other business partners can help build goodwill and enhance our business relationships. However, if such exchanges are frequent or of substantial value, they may create the appearance of, or an actual, conflict of interest or illegal payment. Employees should not accept for themselves or the benefit of any relative or friend, any payment, loan, service or favor involving more than ordinary social amenity, or gift of more than nominal value, from any organization doing or seeking to do business with Rheem. A gift or favor should never be given or accepted if it might create a sense of obligation, compromise one's professional judgment or create the appearance of impropriety. Giving or accepting valuable favors, gifts or entertainment could be construed as an improper attempt to influence someone and adversely affect the business relationships. Our business relationships must be based entirely on sound business decisions; employees must always use good judgment and, if they have questions or concerns, discuss it with their manager. As a general guideline, business gifts and entertainment should never (a) compromise (or appear to compromise) the integrity of the business relationship; and/or (b) embarrass or damage the reputation of you or Rheem. Employees should talk to their manager when in doubt as to whether an event, location, or expenditure is appropriate.

Giving or offering gifts or entertainment to government officials and employees, including those of state-owned entities and labor unions, is in many cases prohibited or limited by law or regulation and therefore should not be made. Any request for gifts from a government official should be reported to an attorney in the Law Department. Employees, who work with government or private sector employees, must know and comply with the applicable laws and rules that pertain to their customers and their locations.

Some countries and/or Rheem business units may have more restrictive laws or policies that apply to gifts and entertainment. Employees must be aware of and abide by all applicable laws, regulations, and policies, including policies of the recipient's organization.

Protection and Proper Use of Company Assets

Protecting company assets against loss, theft and misuse is the responsibility of every employee. Any suspected theft, fraud or inappropriate use of company assets should be reported to an employee's manager or local Human Resources representative. Assets may only be used in accordance with company policies. Assets may not be sold, loaned, given away or disposed of without proper authorization.

Employees have a responsibility to use and maintain Company assets with care and to guard against waste and abuse. Our assets include not only the physical space in which we work, but also other physical assets such as securities and cash, office equipment and information systems. It includes software, licenses, patents, trademarks, copyrights and other proprietary information. Do not borrow or remove Company assets from Company premises without proper authorization, and never use them to support a personal business, consulting effort, fundraising activity, political activity or any other activity that is outside the scope of your work for the Company.

Employees should be aware that Rheem reserves the right to access and monitor all data stored on Company assets, including e-mail sent or received on the Company network to the extent permitted by applicable law. Employees may not access, distribute, download or upload material that is prohibited by law.

Confidential Information

Confidential information is important to our competitive advantage, and must not be disclosed to anyone outside the Company, except where required by law or authorized by senior managers of the Company. Every employee is responsible for protecting confidential information, including proprietary company information (such as business plans, research and development data, patents, trade secrets, customer lists, pricing, market share and other financial data) and employee information (such as phone number, home address, e-mail address, medical information and terms of compensation). We are also committed to respecting the

protected information of others; proprietary information of vendors, customers, suppliers, subcontractors or other third parties (including former employers). In addition, we will neither solicit nor accept confidential information related to current or potential competitors. Confidential information should not be accessed, used or copied, distributed or communicated in any form, unless properly authorized to do so, and should only be disclosed to those within our Company who need the information in order to perform their job duties.

Complete and Accurate Financial Records and Financial Accounting Records and Reporting

Rheem's financial and accounting records must accurately and completely reflect the transactions and financial condition of the company in accordance with generally accepted and approved accounting principles, procedures and practices and applicable government regulations.

Internal accounting and financial controls will be in place and followed to assure that financial and other reports are accurately and reliably prepared and fully and fairly disclose pertinent information. The financial accounts of the Company must be reconciled on a regular basis in accordance with applicable accounting controls.

RESPECT FOR THE LAW

Global Business

Rheem conducts business globally and laws, customs and social requirements may be different from country to country. It is company policy to abide by the applicable laws and regulations in each country in which we do business. In the event that an employee becomes aware of any conflict between local laws and this Code or any other Rheem policy, consult the Rheem Law Department promptly.

Antitrust/Competition

Rheem maintains a commitment to comply with the antitrust and competition laws of all countries which we do business. Rheem must compete lawfully in competitive environments in which we operate and sell our products. Accordingly, our employees are expected to comply with antitrust and fair competition laws in the jurisdictions where we do business. Violations of such laws can result in serious damage to Rheem's reputation, severe monetary penalties and possible criminal penalties for those involved in the violations. Employees are prohibited from engaging in business practices that may, depending on the circumstances, be viewed as a violation of antitrust and fair competition laws, including entering into agreements, reaching "understandings" or exchanging information with Rheem's competitors about product pricing, dividing up customers or territories, controlling the amount or volume of products produced, or standardizing payment terms or discounts or other business terms and conditions. If you ever encounter employees or other representatives of our competitors at a trade show or other event, you should always avoid discussing any of these topics, and immediately walk away from any conversation where such subjects are being discussed, and promptly report the conversation to an attorney in the Law Department.

Boycotts, Embargoes and Restrictive Trade Practices

In the import and export of products, information or technology, Rheem follows applicable national and international laws, regulations and restrictions. Rheem abides by import and export control and anti-boycott laws and regulations wherever we operate. Employees may not cooperate with an international boycott unless approved by the Rheem Law Department. We must also report to the U.S. Government any boycott-related requests for information, as required under the applicable regulations. Our Company complies with economic sanctions or trade embargoes imposed or approved by the U.S. Government and applicable local governments. In case of a conflict between U.S. and local laws, contact the Law

Department.

Anti-Bribery and Anti-Corruption

Rheem is committed to fair business practices. Rheem employees may not solicit, receive, offer or give commercial bribes, kickbacks or similar payments, regardless of local practice or customs. We should also be careful to avoid even the appearance of such improper conduct. "Commercial bribery" generally includes any situation where someone offers or gives something of value with the intent to improperly influence a business action or decision. Unlawful "kickbacks" generally include any situation where an employee receives an improper personal benefit in exchange for taking or refraining from taking an action on behalf of the company. Rheem will not tolerate commercial bribery or unlawful kickbacks, whether it is done directly or through a third party.

In addition to avoiding commercial bribery and unlawful kickbacks, we must comply with all applicable anticorruption laws regarding improper payments to government officials. Special attention should be given to any interactions with government officials. "Government officials" include officials of government entities, international organizations and political parties, employees of state-owned companies, and even employees of government-owned or -controlled companies and joint venture partners.

"Improper payments" include both direct and indirect payments or an offer, promise or authorization of a payment or anything of value to a government official for purposes of improperly influencing government acts or decisions in order to obtain or retain business or otherwise secure a business advantage. Note that improper payments can take the form of cash, gifts or lavish entertainment. Our policy specifically prohibits facilitating payments unless prior written approval is obtained from an attorney in the Law Department. "Facilitating payments" include payments made to expedite or secure performance of a routine government action like obtaining a visa or customs clearance.

It is important to remember that engaging in bribery, or even appearing to engage in such activity, can expose employees or other agents and the Company to criminal liability.

Political Process, Lobbying and Charitable Contributions

The Company respects the right of employees to be involved in political activities on an individual basis, contributing their own time and resources. Such activity, however, must not take place on Company time or use Company property, Company equipment or the Company name.

RESOURCES TO HELP YOU

Our Code represents our commitment to putting our Core Values in action. By working for our Company, you are agreeing to uphold this commitment. Do your part to understand the requirements of the Code and the policies and practices that apply to your job and comply with them at all times. You also have a responsibility for taking action when you see or suspect unlawful, unethical or fraudulent activity, questionable accounting or auditing matters or any other violation of our Code. Violating the Code breaks the trust that we have built within the Company, the companies with which we do business and the communities in which we operate. Violations also open us not only to individual disciplinary action, including termination, but also to legal liability. An employee, who, in good faith, seeks advice, raises a concern or reports improper behavior, is putting our Core Values in action.

ASKING QUESTIONS – RAISING CONCERNS – REPORTING VIOLATIONS

If you believe that any violation of law or unethical conduct has occurred or is occurring or if you have a

good faith concern regarding conduct that you reasonably believe may be a suspected violation of the Code, we encourage you to promptly take one or more of the following actions:

- Discuss the issue with your direct Supervisor, Department Manager, or Human Resources representative.
- If you are uncomfortable speaking with your Supervisor or believe your Supervisor has not properly handled your concern or may be involved in the potential illegal or unethical behavior, contact the Chief Legal Officer or an attorney in the Law Department at 770-351-3052.
- If you do not believe your concern is being adequately addressed, or you are not comfortable speaking with one of the above-noted contacts, report your concern using one of the methods listed below, through which you may choose to identify yourself or remain anonymous and report the matter through the Rheem Ethics Helpline by calling 1-800-461-9330 within the U.S. or Canada. Additional international dialing instructions can be displayed in your preferred language at www.rheemethics.com. You can also report your concerns at the following website www.rheemethics.com or by regular mail at:

Rheem Manufacturing Company
Attention: Chief Legal Officer
1100 Abernathy Road, Suite 900
Atlanta, Georgia 30328

Management personnel are responsible for notifying the Chief Legal Officer upon receipt of a report of alleged misconduct. Notification is necessary due to the heightened emphasis on internal controls to ensure compliance with all applicable laws and regulations and the need to analyze and remediate, where necessary. It is important that Rheem has a central repository where all issues can be monitored and recorded. The Law Department will monitor and timely investigate or delegate for investigation and resolution the potential claims made.

All reports of potential unethical or illegal activity will be taken seriously and will be promptly and thoroughly investigated. The specific action taken in any particular case depends on the nature and gravity of the conduct or circumstances reported and the results of the investigation. Information disclosed during the course of an investigation will, to the extent practical and appropriate, remain confidential, except as may be reasonably necessary under the circumstances to facilitate the investigation, take remedial action, or comply with applicable law.

CODE OF CONDUCT ACKNOWLEDGEMENT

I acknowledge that I have received and read the Rheem Code of Business Conduct and Ethics ("Code"). I understand that I am obligated to comply with it and that I should seek guidance from Rheem Management, Human Resources or the Law Department whenever I have questions regarding the Code or any other company policies or procedures.

I also understand that I should report any suspected violation as directed in this Code and that any reports I make concerning unethical activity or improper conduct will be treated confidentially. Company policy makes it clear that there will be no retaliation for asking questions or raising concerns or reporting violations in good faith.

Name: _____

Business Unit: _____

Location: _____

Date: _____

Signature: _____