

I. Statement of Policy

It is Company policy to maintain the highest ethical standards and comply with all applicable laws, rules, and regulations. We believe that adherence to this policy will ensure our continued success as well as earn and maintain the confidence of our customers and the community in which we live. In order to ensure the Company operates pursuant to this policy, we have established this Code of Ethical Conduct. The following general rules apply to the implementation of this Code of Ethical Conduct:

1. All employees must comply with this Code of Conduct. Any officer, director, or employee violating this Code is subject to discipline, which may include demotion or dismissal.
2. All employees have a duty to report all suspected violations of the Code or other potentially unethical behavior by any person, including officers, directors, employees, agents, customers, subcontractors, suppliers, and prime contractors, to the Corporate Compliance Officer. Reports of violation of this Code Of Ethical Conduct may be reported to the Corporate Compliance Officer by mail at 1010 Pleasant Grove Place, Suite 300, Mt. Juliet TN 37122; by calling the confidential corporate compliance hotline (615-474-1648), by email at compliance@jonesbroscot.com or by calling the USDOT Fraud Net number (1-800-424-9071).
3. Employees in management positions are personally accountable for their own conduct and the conduct of those reporting to them. Each management employee is expected to inform those reporting to them about this Code of Conduct and take all necessary steps to ensure compliance with this Code.
4. No employee has the authority to direct, participate in, approve, or tolerate any violation of this Code by anyone.
5. Any employee who has questions about the application of this Code should consult with the designated Corporate Compliance Officer.

II. Definitions

Code of Ethical Conduct: The written statement of acceptable behavior by the Company's officers, directors, and employees that ensures the Company operates according to the highest ethical standards.

Code: The Code of Ethical Conduct.

Corporate Compliance Officer: The Company official designated by the Board of Directors to be responsible for implementing and administering the Code of Ethical Conduct. In the case where there is no Corporate Compliance Officer, or the Corporate Compliance Officer is not available, the Company President will be responsible for implementing and administering the Code of Ethical Conduct.

Corporate Compliance Program: The written procedures and policies used by the Company that are designed to ensure that all officers, directors, and employees are aware of the Code of Ethical Conduct and adhere to its standards. The Corporate Compliance Program is implemented and administered by the Corporate Compliance Officer.

Employee: Any person employed by the Company, including employees, foremen, managers, officers, directors, and persons authorized to act on behalf of the Company.

Program: Corporate Compliance Program.

III. Standards of Conduct

A. Equal Employment and Nondiscrimination

The continued success of our Company is dependent upon employing the most qualified people and establishing a work environment that is free of discrimination, harassment, intimidation or coercion related to race, color, religion, sex, age, national origin, disability, or sexual orientation. Please refer to “Public Policy – Equal Employment Opportunity” in the Employee and Safety Policy Handbook.

B. Environmental Compliance

Jones Bros. Contractors, LLC is committed to full compliance with all federal, state and local environmental laws, standards, and guidelines. Not only is environmental compliance legally necessary, but it is also an important component of our obligation to the community and our good reputation. It is essential that each employee involved with regulated air emissions, water discharges, hazardous materials, or other regulated pollutants know and comply with all applicable environmental laws and guidelines. No one at this Company may participate in concealing an improper discharge, disposal, or storage of hazardous materials or other pollutants. Any person who has reason to believe that there may have been violations of any aspect of the Company's environmental compliance policy shall report immediately to the Corporate Compliance Officer. Moreover, in addition to compliance with all environmental laws and guidelines, Jones Bros. Contractors, LLC is also committed to utilizing energy and materials in a manner that will minimize the impact on the environment. The Company will also consider using recycled materials whenever feasible.

C. Safety & Health

Jones Bros. Contractors, LLC considers employee safety and health as one of the highest priorities. Many of the job activities, products, and materials handled by our employees require strict adherence to safety procedures, rules and regulations. Each employee must be aware of the Company's safety program that incorporates all of the applicable health and safety laws and guidelines and follow all applicable procedures. Also, supervisors are responsible for ensuring that all reasonable safeguards and precautions are taken in the workplace including ensuring compliance with the Company's procedures and guidelines, promoting safe work practices, and the use of personal protective equipment. If any employee has any safety related concerns, he or she should report these concerns to the Company's Safety Compliance Officer.

D. Drugs and Alcohol

Jones Bros. Contractors, LLC is firmly committed to providing its employees with a safe and productive work environment to the fullest extent possible and promoting high standards of employee health. Please refer to the Company Drug and Alcohol Policy in the Employee and Safety Policy Handbook.

E. Use of Company Computers

Computer systems, including e-mail and internet access, are essential for company daily operations. It is crucially important that the hardware, software, e-mail, networks systems, internet service and links and the data processed by computers and stored in them be adequately safeguarded against damage, alteration, theft, fraudulent manipulation, unauthorized access to or disclosure of Company information. Use of Company computers is strictly for Company operations only. No employee is permitted to use Company computers, or computer systems including internet and email for personal gain or inappropriate or prohibited activities or viewing negatively and socially profound images, jokes or videos that are not associated to Company operations. Each employee must strictly adhere to all Company computer security measures and internal controls that have been established by the Company or are required under certain contracts. Violations or suspected violations of computer security measures or controls should be reported immediately to your supervisor or the Director of Human Resources.

1. System Hardware and Software

Hardware, peripheral attachments, and all installed software on electronic systems owned by the Company may not be modified, added to or deleted without the express permission of the Corporate Compliance Officer.

2. Data System Security

All data entered and stored in Company electronic systems, disks, and tapes is the property of the Company and is considered proprietary and confidential. Data stored on these systems is to be treated as such and reasonable steps must be taken in order to protect the information from unnecessary loss, improper modification, or damage.

3. E-Mail and Internet Policy

The Company reserves the right to review, audit, intercept, access, disclose, or handle accordingly all messages composed, sent, and received on the e-mail system and use of the internet at any time for any purpose. The contents of any employee's e-mail and internet usage may be disclosed to Company management without the permission of the employee when properly authorized and doing so is for a legitimate business purpose.

F. Use of Company Vehicles and Equipment

Jones Bros. Contractors, LLC has provided safe, dependable transportation and equipment to perform the essential duties of the Company. The Company has entrusted employees to use good judgment and have a complete understanding of the responsibilities involved, both of which are necessary to continue to drive a company provided vehicle on company business and use company equipment.

Please refer to Company policy concerning vehicles and equipment under General Safety Rules in the Employee and Safety Policy Handbook.

G. Conflicts of Interest

Employees must avoid situations in which their personal interests could conflict with, or even appear to conflict with, the interests of the Company. Conflicts of interest arise when an individual's position or responsibilities with the Company present an opportunity for personal gain of profit separate and apart from that individual's earnings from the Company or where the employee's interests are otherwise inconsistent with the interests of the Company. A conflict of interest may arise in any number of situations and it is impossible to describe each and every instance. As a general matter, if you think that any situation may be a potential conflict of interest, you should consult with the Corporate Compliance Officer. However, the following situations have a great potential for conflicts of interest:

1. Outside Employment

As a matter of Company policy, employees may pursue outside employment opportunities. However, such opportunities must not interfere with the employee's job responsibilities with the Company. Any outside employment that interferes with the employee's job responsibilities or conscientious performance of his or her duties are deemed to be a conflict of interest and is not permitted. Likewise, an employee's participation in civic, charitable, or professional organizations or activities that interferes with the employee's job responsibilities or conscientious performance of his or her job is deemed to be an impermissible conflict of interest. Additionally, employees may not use Company time or resources to further non-Company business. Employees also may not use the Company's name to lend weight or prestige to an outside activity without prior approval from authorized management. Prior to engaging in any outside employment activity or participating in any civic, charitable, or professional organization or activity that may give rise to an actual or potential conflict of interest, the employee must consult with the Corporate Compliance Officer and obtain express written approval.

2. Personal Financial Interests

Employees should avoid personal financial interests that might be in conflict with the interests of the Company. Such interests may include, but are not limited to, the following: obtaining a financial or other beneficial interest in a supplier, customer, or competitor of the Company; directly or indirectly having a personal financial interest in any business transaction that may be adverse to the Company; acquiring real estate or other property that the employee knows, or reasonably should know, that is of interest to the Company. Such personal financial interests include those interests of not only the individual employee, but also those of the employee's spouse, children, parents, grandparents, siblings and family in-law. If the employee knows, or reasonably should know, that a personal financial interest may be in conflict with the interests with the Company, the employee must first consult with the Corporate Compliance Officer and obtain express written approval.

H. Gifts and Entertainment

1. Bribery and Kickbacks

All forms of bribery and kickbacks are illegal and expressly prohibited. Any employee caught participating in such activity will be promptly terminated. Any employee who knows about, or reasonably should know about, any such activity and fails to report it to the Corporate Compliance Officer will be disciplined.

2. Government Personnel

All forms of gifts and entertainment to or from government personnel (Federal, State, and local), including persons that may be acting for or on behalf of the government, are expressly prohibited. However, the Corporate Compliance Officer may authorize an exception where a familial or personal relationship exists outside of the employee's business relationship with the government employee.

3. Non-Governmental Personnel

Receiving or accepting gifts or entertainment in the business context is a particularly sensitive area and can be inappropriate, or even illegal, depending on the circumstances. For this reason, it is important that all employees be extra sensitive when it comes to giving or receiving gifts and entertainment from non-governmental personnel (as stated above, the giving or receiving of gifts from government personnel is prohibited). Therefore, regardless of the circumstances, the following rules apply:

- The Corporate Compliance Officer must approve the giving or receiving of all forms of gifts and entertainment.
- Money, in any form, is never given, offered, solicited, or accepted.
- No gift or entertainment may be given or received if it is, or could reasonably be construed to be, intended to influence an employee's behavior.
- No employee may encourage, solicit or accept gifts or entertainment of any kind from any individual or entity with whom the Company conducts business.
- The Corporate Compliance Officer may authorize the expenditure of a non-monetary gift or entertainment with a value equal to or less than \$500 in the aggregate for any calendar year to an individual or entity with whom the Company conducts business only if it is for a legitimate and identifiable business purpose.
- Employees may receive a non-monetary gift or entertainment from an individual or entity with whom the Company conducts business with a value equal to or less than \$500 in the aggregate for any calendar year, provided that such gifts or entertainment are reported to and approved by the Corporate Compliance Officer and is for a legitimate and identifiable business purpose.
- The Corporate Compliance Officer may authorize an exception where a familial or personal relationship exists outside of the employee's business relationship with the non-governmental employee.

I. Communications and Records

All employees are expected to be familiar with, and conform to, the Company's document retention policy as well as the Company's recordkeeping and reporting procedures. Additionally, all Company and employee communications, correspondence, and records must be accurate, complete, and timely. The contents of any written communication must be legible and unambiguous. If, after making any communication, correspondence, or record, the employee discovers that s/he has made a mistake, then the employee must take all steps as may be reasonably necessary to correct such mistake. Any employee who knowingly makes a false or misleading communication, correspondence, or record will be terminated.

J. Antitrust Policy

Jones Bros. Contractors, LLC is fully committed to compliance with the antitrust laws, which are designed to promote free and open competition in the marketplace. Not only does the customer benefit by getting the best product at the lowest price, but the Company also benefits by being able to compete on a fair level playing field with competitors. The antitrust laws are complex and must be complied with strictly. Routine business decisions involving prices, terms and conditions of sale, dealings with competitors, and many other matters present problems of great sensitivity. It is therefore essential that every employee be generally aware of the antitrust laws and that all employees that are actively involved in the bidding process participate in the Company's Antitrust Program. Below is a general overview of the antitrust laws: The Sherman Act is the primary federal antitrust statute. The Sherman Act prohibits any agreement among competitors to fix prices, rig bids, or engage in other anticompetitive activity. Violation of the Sherman Act is a felony punishable by a fine of up to \$10 million for corporations, and a fine of up to \$350,000 or 3 years imprisonment (or both) for individuals and may subject the Company and/or the individual to suspension or debarment. In addition, collusion among competitors may constitute violations of the mail or wire fraud statute, the false statements statute, or other federal felony statutes. In addition to receiving a criminal sentence, a corporation or individual convicted of a Sherman Act violation may be ordered to make restitution to the victims for all overcharges. Victims of bid-rigging and price-fixing conspiracies also may seek civil recovery of up to three times the amount of damages suffered. Most criminal antitrust prosecutions involve price fixing, bid rigging, or market division or allocation schemes. Under the law, price-fixing and bid-rigging schemes are per se violations of the Sherman Act. This means that where such a collusive scheme has been established, it cannot be justified under the law by arguments or evidence that, for example, the agreed-upon prices were reasonable, the agreement was necessary to prevent or eliminate price-cutting or ruinous competition, or the conspirators were merely trying to make sure that each got a fair share of the market.

1. Price-Fixing

Price-fixing is an agreement among competitors to raise, fix, or otherwise maintain the price at which their goods or services are sold. It is not necessary that the competitors agree to charge exactly the same price, or that every competitor in a given industry join the conspiracy. Price-fixing can take many forms, and any agreement that restricts price competition violates the law. Other examples of price-fixing agreements include those to:

- Establish or adhere to price discounts;
- Hold prices firm;
- Eliminate or reduce discounts;
- Adopt a standard formula for computing prices;
- Maintain certain price differentials between different types, sizes, or quantities of products;
- Adhere to a minimum fee or price schedule;
- Fix credit terms; and
- Not advertise prices.

2. Bid-Rigging

Bid-rigging is the way that conspiring competitors effectively raise prices where purchasers - often federal, state, or local governments - acquire goods or services by soliciting competing bids. Essentially, competitors agree in advance who will submit the winning bid on a contract being let through the competitive bidding process. Bid-rigging also takes many forms, but bid-rigging conspiracies usually fall into one or more of the following categories:

- a. Bid Suppression: In bid suppression schemes, one or more competitors who otherwise would be expected to bid, or who have previously bid, agree to refrain from bidding or withdraw a previously submitted bid so that the designated winning competitor's bid will be accepted.
- b. Complementary Bidding: Complementary bidding (also known as "cover" or "courtesy" bidding) occurs when some competitors agree to submit bids that either are too high to be accepted or contain special terms that will not be acceptable to the buyer. Such bids are not intended to secure the buyer's acceptance, but are merely designed to give the appearance of genuine competitive bidding. Complementary bidding schemes are the most frequently occurring forms of bid rigging, and they defraud purchasers by creating the appearance of competition to conceal secretly inflated prices.
- c. Bid Rotation: In bid rotation schemes, all conspirators submit bids but take turns being the low bidder. The terms of the rotation may vary; for example, competitors may take turns on contracts according to the size of the contract, allocating equal amounts to each conspirator or allocating volumes that correspond to the size of each conspirator company. A strict bid rotation pattern defies the law of chance and suggests collusion is taking place.
- d. Subcontracting: Subcontracting arrangements can be part of a bid-rigging scheme. Competitors who agree not to bid or to submit a losing bid frequently receive subcontracts or supply contracts in exchange from the successful low bidder. In some schemes, a low bidder will agree to withdraw its bid in favor of

the next low bidder in exchange for a lucrative subcontract that divides the illegally obtained higher price between them.

3. Market Division

Market division or allocation schemes are agreements in which competitors divide markets among themselves. In such schemes, competing firms allocate specific customers or types of customers, products, or territories among themselves. For example, one competitor will be allowed to sell to, or bid on contracts let by, certain customers or types of customers. In return, he or she will not sell to, or bid on contracts let by, customers allocated to the other competitors. In other schemes, competitors agree to sell only to customers in certain geographic areas and refuse to sell to, or quote intentionally high prices to, customers in geographic areas allocated to conspirator companies.

Compliance with the antitrust laws is a serious matter and, as explained above, violations could subject the Company to substantial civil and criminal liability. Accordingly, any employee who violates antitrust laws shall be terminated. Additionally, any employee who knows, or reasonably should know, that an antitrust violation has been, or will be, committed and fails to report it to the Corporate Compliance Officer will be subject to discipline, which may include termination.

K. Claims

All requests or demands for payment made on behalf of the Company pursuant to any contract or business agreement shall truthfully and accurately reflect the value of the goods or services provided. Under no circumstances may an employee make a false claim. Examples of false claims include billing extra time not spent working on a project, charging for materials not used in a project, or artificially inflating a claim in order to negotiate additional compensation from the customer. Any claims that are false, fraudulent or otherwise deceitful may subject the Company, and/or the individual making the claim, to civil liability up to 3 times the amount of false claim for payment, criminal liability punishable by up to 5 years imprisonment, a fine, and restitution, and administrative liability through suspension or debarment. Accordingly, any employee who knowingly makes false claims shall be terminated. Additionally, any employee who knows, or reasonably should know, that another employee has submitted, or intends to submit, a false claim and fails to report it to the Corporate Compliance Officer, will be subject to discipline, which may include termination.

L. Statements & Certifications

All statements, representations, and certifications made on behalf of this Company, whether written or oral, shall be accurate, truthful, and timely. Under no circumstances may an employee make a false or misleading statement, representation, or certification. Any statements that are false, fictitious, or fraudulent or contain materially false, fictitious, or fraudulent statements or entries, may subject the Company, and/or the individual making the statement, to criminal liability punishable by up to 5 years imprisonment, a fine, and restitution, and administrative liability through suspension and debarment. In

addition, if a false statement is used to get a claim paid, then the Company and/or the individual, may be subject to civil liability up to 3 times the amount claimed for payment.

Additionally, employees are routinely required to certify that they and the Company are in compliance with various contractual provisions and regulatory requirements. Examples of common certifications include certifications pertaining to environmental, safety, personnel, and health matters, product quality and material certifications, and quality control and quality assurance testing certifications. Employees must be aware of the requirements applicable to their jobs and ensure that all certifications are accurate and that there is neither a material omission of fact or materially misleading statements.

M. Commitment to Disadvantaged Business Enterprises

Jones Bros. Contractors, LLC is committed to full compliance with government sponsored opportunity programs, such as the disadvantaged business enterprise (DBE) program, and maximizing the opportunities of DBEs. As such, the Company will not discriminate on the basis of race, color, national origin, or sex in the hiring of suppliers or subcontractors and will foster an environment in which everyone is treated with respect, trust, honesty, fairness, and dignity. Only USDOT funded contracts have DBE requirements. For each of these contracts, the Company will make good faith efforts to maximize the participation of DBEs in subcontracts and ensure that each DBE is performing a commercially useful function. A DBE is deemed to be performing a commercially useful function if the DBE is responsible for executing the work and carrying out their responsibilities by actually performing, managing, and supervising the work. Please refer to Company DBE Corporate Compliance Program and Policy.

N. Obligation to Report Violations and Cooperation

Each employee must promptly report any known or suspected violation of this Code of Ethical Conduct and all other unlawful or unethical conduct to the Corporate Compliance Officer. Employees are obligated to report such known or suspected conduct without regard to the identity or position of the suspected offender. Any report made under this section will be strictly confidential and under no circumstances will any employee who makes a report be subject to any acts of retribution or retaliation or disciplinary action. Additionally, all employees must fully cooperate in any investigation of a suspected violation of this Code. Reports of suspected violation of this Code of Ethical Conduct may be reported to the Corporate Compliance Officer by mail at 1010 Pleasant Grove Place, Suite 300, Mt. Juliet, TN 37122; by calling the confidential corporate compliance hotline (615-474-1648), by email at compliance@jonesbroscont.com or by calling the USDOT Fraud Net number (1-800-424-9071).

Any employee found to have violated this Code or engaged in other unlawful or unethical behavior shall be disciplined, including demotion or dismissal. Any employee who fails to report known or suspected violations of this Code or other unlawful or unethical behavior shall be subject to appropriate disciplinary action.

O. Consequences for Violations

Any violation of this Code is cause for disciplinary action that may result in any of the following consequences:

- Reprimand
- Loss of compensation, seniority, or promotional opportunities
- Reduction in pay
- Demotion
- Suspension with or without pay
- Discharge

ATTACHMENT 2

Jones Bros. Contractors, LLC

Disadvantaged Business Enterprise Corporate Compliance Program and Policy

1.0 Policy and Statement of Purpose.

Jones Bros. Contractors, LLC, hereafter referred to as COMPANY, fully embraces the U.S. Department of Transportation, Federal Highway Administration, Federal Aviation Administration and State Department of Transportation governments' commitment to provide disadvantaged business enterprises (DBEs) with the maximum practical opportunities to participate in COMPANY construction projects.

To communicate our strong support of the DBE Program, COMPANY has adopted a DBE Corporate Compliance Program and Policy (Program and Policy). The Program and Policy applies to any circumstance in which COMPANY subcontracts with a company on the basis of their status as a DBE and who operates its business practices in a manner that complies with the U. S. Department of Transportation Commercially Useful Function requirements.

This policy applies to the direction, actions and decisions of COMPANY officers, employees, and subcontractors in the success of achieving the Program and Policy's objectives.

2.0 Definitions.

- 2.1 Disadvantaged Business Enterprise or DBE** means a for-profit small business concern (1) that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged or in the case of a corporation, in which 51% of the stock is owned by one or more such individuals and (2) whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

For purposes of this Program and Policy, "DBE" refers to a firm who is certified as a DBE by a U.S. DOT recognized certification agency, which complies with the Commercially Useful Function requirements and is included on a COMPANY contract for purposes of achieving a participation goal as established by a government entity.

2.2 Disadvantaged Business Enterprise Program (DBE Program) means a federal or state program intention to provide opportunities for certified DBEs to participate in federal and state funded contracting opportunities as prime contractors, subcontractors, suppliers/materials or other business enterprises.

2.3 Commercially Useful Function defines the role a DBE must perform in a transaction in order for the transaction to be given credit under the DBE program. A DBE performs a commercially useful function when it is responsible for execution of the work of the contract and is carrying out its responsibilities by actually performing, managing, and supervising the work involved.

To perform a commercially useful function with respect to materials and supplies, the DBE must: (1) negotiate price, (2) determine quality and quantity, (3) order the materials, and (4) pay for the materials itself.

A DBE does not perform a commercially useful function if its role is limited to that of an extra participant in a transaction, contract, or project through which funds are passed in order to obtain the appearance of DBE participation.

If a DBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own work force, or the DBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice for the type of work involved, then the DBE is not performing a commercially useful function.

Factors in determining whether a DBE trucking company is performing a commercially useful function are identified in the DBE regulations at 49 CFR Part 26.55(d) and Section 7.4 of this policy.

2.4 Company means Jones Bros. Contractors, LLC

2.5 Code of Ethical Conduct means the Code of Ethical Conduct adopted by COMPANY to communicate its policies and values to its officers, employees, subcontractors and customers.

2.6 Contracting Agency or Contract Owner shall mean the federal, state, county or local government entity that enters

into contracts with COMPANY for work on a U.S. DOT funded construction project.

3.0 Roles and Responsibilities with DBE

The COMPANY personnel who will have a role with DBEs compliance in the COMPANY contracts are:

3.1 President

The President has ultimate responsibility to direct the COMPANY into compliance with the Program and Policy and Code of Ethical Conduct. The President shall oversee and monitor the COMPANY's implementation and performance under this Program and Policy, working directly with the Corporate Compliance Officer. The President shall consult with the Corporate Compliance Officer as to any investigation of any abuse or non-compliance with this Policy and Program and Code of Ethical Conduct. The President reports to the Managing Member of the Limited Liability Company. Andrew Wall is the Company President. He may be contacted at the corporate office located at 1010 Pleasant Grove Place, Suite 300, Mt. Juliet, TN 37122 or by phone at (615) 864-7388.

3.2 Corporate Compliance Officer

The Corporate Compliance Officer is responsible for the implementation and day-to-day administration of the DBE Corporate Compliance Policy and Program, reporting directly to COMPANY's President, and provides reports to other stakeholders as appropriate. The Corporate Compliance Officer is responsible for conducting an appropriate investigation of each complaint or information concerning ethics or compliance with the DBE Program and Policy or Code of Ethical Conduct. The Corporate Compliance Officer is responsible for supervising the training and education of COMPANY's employees concerning COMPANY's commitments to the Program and Policy. Bret Alsobrooks is the Corporate Compliance Officer. He may be contacted at the corporate office located at 1010 Pleasant Grove Place, Suite 300, Mt. Juliet, TN 37122 or by phone at (615) 864-7388.

3.3 Chief Estimator

The Chief Estimator will review the bids on each U.S.

Department of Transportation funded construction project prior to bid submission. Before a bid is submitted, the Chief Estimator will review COMPANY's bid submissions to the contracting agency regarding DBE commitment, commercially useful function and good faith efforts for accuracy and completeness. The Chief Estimator will consult with the Corporate Compliance Officer on all issues regarding the DBE Corporate Program and Policy. The Chief Estimator reports directly to the President.

3.4 Project Manager

The Project Manager is responsible for construction management on an assigned construction project. The Project Manager is also responsible for preparing, and gathering the assigned DBE's subcontract documents, verifying the accuracy of the information and monitoring the DBE's work for confirmation of performing a commercially useful function. The Project Manager will ensure the Corporate Compliance Policy and email address are posted on the Job board for each project. The Project Manager will provide the Corporate Compliance Officer with updates on a regular basis to confirm that the DBE(s) is performing the work itself and performing a commercially useful function. The Project Manager and/or the Project Superintendent will prepare the required paperwork regarding DBE participation and performance, including the Commercially Useful Function Checklist, and submit completed documents to the Corporate Compliance Officer. The Project Manager will consult with the Corporate Compliance Officer on all issues regarding the DBE Corporate Program and Policy. The Project Manager will report directly to the President.

3.5 Project Superintendent/Foreman

All of COMPANY employees are responsible for understanding and following the Code of Ethical Conduct and the Corporate Program and Policy regarding DBEs. Project Superintendents and Foremen are responsible for the day-to-day construction activities at an assigned construction contract. The Project Superintendents and Foremen will provide updates on a regular basis to the Project Manager to confirm that the assigned DBE is performing the work itself and performing a commercially useful function. The Project Superintendent, along with the Project Manager, will complete the Commercially Useful Function Checklist. The Project

Superintendent and Foremen will follow the Code of Ethical Conduct and Corporate Program and Policy whenever there is a concern or suspect any abuse, fraud, or non-compliance with COMPANY policies. The Project Superintendents and Foreman report directly to the assigned Project Manager.

3.6 Employees

All COMPANY employees will follow the Code of Ethical Conduct and Corporate Program and Policy and report any concern, suspicious activity, abuse, fraud, or non-compliance with the COMPANY policies. All COMPANY employees also have the option to report any such issues to the Corporate Compliance Officer via the corporate compliance hotline (615-474-1648), the COMPANY fraud email (compliance@jonesbroscont.com) or by calling the U. S. Department of Transportation FraudNet number 1-800-424-9071.

3.7 Subcontractors Including DBE Subcontractors

Subcontractors are an integral partner in COMPANY's success as a construction company. COMPANY will communicate its commitment to comply with DBE requirements with each Subcontractor on an assigned contract. The Project Manager will inform the Subcontractors of the COMPANY's commitment to comply with the DBE requirements. The Subcontractors will receive a copy of the Program and Policy and will be advised to contact the Project Manager, Corporate Compliance Officer or call the Hotline numbers or email COMPANY fraud address to report any concern or suspicious activity, abuse, fraud, or non-compliance with COMPANY policies.

4.0 DBE Good Faith Effort

Prior to submission of a bid on a project that includes a proposed DBE subcontractor, the Chief Estimator will follow the contract agency's instructions on what steps the COMPANY must take to comply with making efforts to meet the DBE goal on the contract or demonstrating that good faith effort was made to meet the DBE goal. No DBE sub quote will be rejected without a serious and thorough consideration of its sub quote, and that the DBE is fully capable of performing the work item(s) in terms of expertise, capability, manpower, and equipment. A critical component of this investigation is determining whether interested DBEs are capable to perform the work they are quoting consistent with the type of work they are certified to perform as a DBE. The DBE must

be certified as a DBE and listed on the Tennessee Unified Certification Program DBE Directory. Any discussion with the DBE regarding its quote will be kept to the most stringent and ethical level of discussion,

5.0 Performance of DBEs on Subcontracts

After contract award and prior to the first day of construction, COMPANY will communicate with the assigned DBE and make available a copy of this Program and Policy. The communication will include the subcontract agreement, completion and submission of the required subcontract, insurances, Equal Employment Opportunity Commitment, confirm quotations and negotiate the work schedule if possible. COMPANY will create and maintain an electronic diary of the discussions with all Subcontracts/suppliers assigned to the project. Project Managers will document conversations with Subcontractors/suppliers through email and will forward to Corporate Compliance Officer; diary will be maintained by Corporate Compliance Officer.

When a DBE is hired to perform work or to supply material on a State DOT or U.S. DOT funded project, the DBE must actually perform the work or supply the material. DBEs are required to perform a “commercially useful function” on the project. To meet the requirement of “commercially useful function,” the DBE must:

- (1) be responsible for the executing of the work on the project;
- (2) actually perform, manage, and supervise the work involved, and
- (3) furnish supervision, labor, and equipment necessary for the performance of the work.

To perform a commercially useful function with respect to materials and supplies, the DBE must:

- (1) negotiate price;
- (2) determine quality and quantity;
- (3) order the materials; and
- (4) pay for the materials itself.

Any further subcontracting by the DBE of its obligations under the contract must be carefully monitored. A DBE may not simply involve another firm to perform their contract and take a cut of the proceeds. The DBE regulations provide that if a DBE does not perform or exercise responsibility for at least 30 percent of the total cost of its contract with its own workforce or if the DBE subcontracts a greater portion of the work for a contract than would be expected on the basis of normal industry practice for the type of work involved, it is presumed that it is not performing a commercially useful function.

All DBE subcontracts entered into by COMPANY clearly set forth the “commercially useful function” requirements and require the DBE to certify that it has adequate resources to perform the work covered by the subcontract. In the event COMPANY discovers the DBE is not performing a Commercially Useful Function, COMPANY will take the immediate action to investigate the issues and require the DBE to cease and desist from breaching the Commercially Useful Function requirements, unless the DBE can provide evidence to the satisfaction of the contract owner and COMPANY that its business practices are in compliance with the Commercially Useful Function requirements. The Corporate Compliance Officer will conduct the investigation and may involve other parties, under his/her direction to assist with the investigation. The investigation findings will be reported to the President, logged onto the Corporate Compliance Complaint log and forwarded to FHWA Tennessee Division and/or Federal Aviation Association (FAA) Memphis Airports District Office and shared with the Monitor, or other parties as directed by FHWA or FAA. In the event, the DBE is found to be in non-compliance with the Commercially Useful Function requirements, COMPANY will pursue its options to terminate and substitute the DBE as permitted by the DBE regulations.

6.0 Internal Monitoring DBE Performance of Contracts

Throughout the duration of the work on state and U.S. DOT funded projects, COMPANY’s Project Manager will monitor the DBE’s work on a regular basis to make sure it is performing that work itself, performing a commercially useful function and meeting the subcontracting schedule and requirements. The Project Manager will complete and submit a “Commercially Useful Function Checklist” to the Corporate Compliance Officer and place a copy of this document in the project file. The Commercially Useful Function Checklist is attached to this Program and Policy.

The Project Manager will also require the Project Superintendent and/or Foreman on a project to be meaningful that DBEs assigned to the contract are to perform a “commercially useful function.”

Any COMPANY employee observing potential noncompliance involving DBE matters must notify the Project Manager and the Corporate Compliance Officer immediately. The Corporate Compliance Officer may involve other parties, under his/her direction to assist with the investigation and will share any potential non-compliance with the President.

7.0 Counting DBE Participation Toward DBE Goal

COMPANY will follow the DBE Program regulations when counting and crediting DBE participation towards the stated DBE contract goal. COMPANY

may only count the value of the work actually performed by the DBE toward the DBE contract goal. A DBE's participation is counted toward the DBE goal only if the DBE is certified and performing a "commercially useful function".

COMPANY will use the following guide to count DBE participation for materials or supplies toward the contract DBE goal:

- 7.1 If the materials or supplies are obtained from a DBE manufacturer, count 100 percent of the cost of the materials or supplies toward the DBE goal.
- 7.2 If the materials or supplies are purchased from a DBE supplier, count 60 percent of the cost of the materials or supplies toward the DBE goal.
- 7.3 If the DBE is neither a manufacturer nor a supplier, only the fees or commissions charged for assistance in the procurement of the materials and supplies, or fees or transportation charges for the delivery of materials or supplies required on a job site will count towards the DBE goal.

7.4 Trucking Operations

COMPANY will use the following guide to determine whether a DBE trucking company is performing a commercially useful function:

- (1) The DBE must be responsible for the management and supervision of the entire trucking operation on a particular contract, and there cannot be a contrived arrangement for the purpose of stating the DBE owns and operates a trucking operation.
- (2) The DBE must itself own and operate at least one fully licensed, insured and operational truck to be used on the contract.
- (3) The DBE truck operation must use its own truck(s), using drivers it employs.
- (4) The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE will count towards the DBE goal. The lease agreement must clearly indicate the lease is between the two DBEs and specific use of the lease truck(s) will be for the specific construction contract.
- (5) The DBE may lease trucks without drivers from a non-DBE truck leasing company. If the DBE leases trucks from a non-DBE truck leasing company and uses its own employees as

drivers, COMPANY will be obtain credit, towards the DBE goal, for the total value of these hauling services.

- (6) A lease must indicate that the DBE has exclusive use of and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, so long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.
- (7) The Project Manager must review and approved the DBE truck arrangements before the DBE truck operation begins its work on the contract. Any changes in the DBE truck arrangement during the construction period must be approved by the Project Manager. The Project Manager and/or Project Superintendent will verify that the DBE truck arrangement is meeting the Commercially Useful Function requirements.

8.0 Reporting DBE Participation

It is important that COMPANY document its efforts to comply with the Program and Policy and all the applicable U.S. DOT, FAA and TDOT requirements. COMPANY must provide the contracting agency as well as the appropriate federal and state authorities with timely and complete reports. The reports that should be completed include but are not limited to:

- 8.1** Form 1247A (TDOT) listing all DBE firms used or being considered for a particular project, the type of work items on the project on which the DBE will be used and the “Amount to DBE,” which is the amount committed to each DBE firm which will be used on the project;
- 8.2** A Commercially Useful Function Checklist (CUF) shall be completed to document the dates of work, items of work, equipment, and work forces of each DBE.
- 8.3** Prompt Payment Certification Form – a monthly certification to contracting agency of payment to subcontractors. (The contracting agency may withhold estimate payments if information is not submitted.)
- 8.4** Form CC3 – Certification of DBE Accomplishment. Prior to receiving final payment, COMPANY must provide the certification of the monies paid to each DBE firm.
- 8.5** Any other DBE forms required by FAA, airports, contracting

agency, or any federal, state or local agency administering the contract with a DBE goal.

9.0 Inability of DBE to Complete Subcontract

At all times, COMPANY will work pro-actively with the assigned DBEs and all other subcontractors to complete their subcontracts successfully. If, after a contract is awarded, it is apparent that a DBE firm is unable to complete the subcontracted work, COMPANY will review its documents to make sure it has taken all pro-active and reasonable steps to assist the DBE from failing to perform its work and to successfully complete its subcontract. In the event the pro-active measures are not successful with the DBE, COMPANY will follow the steps to either terminate or substitute the DBE as permitted.

9.1 Permissible grounds and steps for termination of a DBE from a project are as follows:

COMPANY cannot terminate a DBE subcontractor without good cause and without obtaining prior written consent of the Contract Owner of the Project. "Good cause" for termination includes the following:

(i) The listed DBE subcontractor fails or refuses to execute a written contract;

(ii) The listed DBE subcontractor fails or refuses to perform the work of its subcontract in a way consistent with normal industry standards. Provided, however, that good cause does not exist if the failure or refusal of the DBE subcontractor to perform its work on the subcontract results from the bad faith or discriminatory action of the prime contractor;

(iii) The listed DBE subcontractor fails or refuses to meet the prime contractor's reasonable, nondiscriminatory bond requirements;

(iv) The listed DBE subcontractor becomes bankrupt, insolvent, or exhibits credit unworthiness;

(v) The listed DBE subcontractor is ineligible to work on public works projects because of suspension and debarment proceedings;

(vi) The Contract Owner has determined that the listed DBE subcontractor is not a responsible contractor;

(vii) The listed DBE subcontractor voluntarily withdraws from the project and provides COMPANY with written notice of its withdrawal;

(viii) The listed DBE is ineligible to receive DBE credit for the type of work required;

(ix) A DBE owner dies or becomes disabled with the result that the listed DBE contractor is unable to complete its work on the contract; and

(x) Other documented good cause that COMPANY has determined compels the termination of the DBE subcontractor.

9.2 COMPANY will give written notice to the DBE subcontractor of COMPANY's intent to terminate and/or substitute, and the reasons for such action.

9.3 COMPANY will give the DBE five business days to respond to the notice. The DBE must respond to the notice within the timeframe and advise COMPANY of the reasons, if any, why it objects to the proposed termination and or substitution of its subcontract and why the Contract Owner should not approve COMPANY's action. If required in a particular case as a matter of public necessity (e.g., safety), the Contract Owner may allow COMPANY to require the DBE to provide a response period shorter than five days.

9.4 COMPANY will ensure the Contract Owner is aware and included in the communications related to the intent to terminate and or substitute a DBE. COMPANY will seek the approval of the Contract Owner before actual termination or substitute occurs.

9.5 In the event COMPANY is unable to find a qualified DBE to replace the DBE who is being terminated or substituted, COMPANY will provide the Contract Owner's Project Engineer and the appropriate government agency with documentation that demonstrates COMPANY's good faith efforts to replace the DBE with another DBE. COMPANY understands, any termination and or substitution of a DBE subcontractor is contingent upon approval from the Contract Owner.

10.0 Records Retention

It is important to document and maintain records of all COMPANY's efforts to obtain DBE participation, including all negotiations with DBEs on prices, quotes, work schedules as well as the dates COMPANY first contacted the DBEs. Records related to internal monitoring of DBE performance must also be collected and maintained as part of the project file.

COMPANY and its DBE subcontractors must retain proof of payment and other documentation that substantiates payments to DBE firms for a period of not less than three years after final acceptance of a project. These records will be made available to authorized representatives of contracting agency upon request.

11.0 Consequences for Noncompliance by COMPANY Employees and Subcontractors

The requirements of this Program and Policy must be followed. Employees who deviate from these DBE requirements are subject to discipline up to and including termination. Any exceptions to this Program and Policy must be approved by the Company President. Any subcontractor who fails to follow the requirement of this Program and Policy, including the non-discrimination provisions, could be subject to withholding progress payments, termination of the subcontract or legal action. Violation may also lead to civil and criminal penalties and disqualification from further public construction contracts.

12.0 Non-Discrimination

COMPANY and any subcontractor hired by COMPANY shall not discriminate on the basis of race, color, national origin or sex in performance of any construction contract. COMPANY and its subcontractors shall carry out all applicable non-discrimination requirements of 49 CFR Part. 26, TDOT Special Provisions 1247 and 41 CFR Part 60 in the award and administration of any contract or subcontract with FHWA or FAA funds and DBE goals. Failure to carry out these requirements is a material breach of the contract, which may result in the termination of the contract or such other remedy as the Contract Owner deems appropriate, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanctions;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor/subcontractor from future bidding as non-responsible.

13.0 Prompt Payment

COMPANY shall pay subcontractors for satisfactory performance of their subcontracts no later than thirty (30) days from its receipt of each payment from the Contract Owner. COMPANY shall comply with all contractual provisions in its contract with the contracting owner regarding payment to subcontractors and methods of dispute resolution contained therein.

COMPANY will complete and submit its monthly Prompt Payment report to the contracting agency as required.

14.0 Training and Education

A copy of this Program and Policy will be furnished to all existing employees and subcontractors. All employees shall receive training on the Code of Ethical Conduct and this Program and Policy at or near the commencement of their employment.

The Project Manager will advise new subcontractors of the Program and Policy. Copies of the Program and Policy will be maintained in the offices of the Corporate Compliance Officer and the Director of Human Resources. Additional copies will be posted on the Job Boards at each construction site for the public, subcontractors and employees viewing.

COMPANY will periodically, provide its employees with ethics and compliance training during a Safety discussion, during Executive Management meetings and during COMPANY's annual broad meeting.

The Director of Human Resources will maintain the record on when the training and or education on the Program and Policy were given to employees.

15.0 Questions

The Corporate Compliance Officer is responsible for the implementation of this Program and Policy. COMPANY has appointed Bret Alsobrooks as the Corporate Compliance Officer. He should be contacted for any matters regarding the Program and Policy, including the Program and Policy's applicability. Bret is in COMPANY's office located at 1010 Pleasant Grove Place, Suite 300, Mt. Juliet, TN 37122. He can be reached by telephone at (615) 864-7388 or e-mail at balsobrooks@jonesbroscont.com

All employees and subcontractors should report any suspected instances of improper conduct:

- Directly to the Corporate Compliance Officer

- Through the Company Hotline (615-474-1648; or compliance@jonesbroscont.com)
- Through the US Department of Transportation FraudNet number 1-800-424-9071

Any employee or subcontractor may file a formal complaint of a potential violation by contacting the Corporate Compliance Officer. There will not be any retaliation or retribution for filing a complaint. The calls may be made anonymously and will be kept confidential as appropriate. The Corporate Compliance Officer is responsible for conducting an appropriate investigation regarding any potential violation of this Program and Policy. The Corporate Compliance Officer may involve other parties, under his direction to assist with the investigation.