



7.8 Hiring of Relatives and Fraternalization

1. **Scope and Purpose** - It is the Company's intent to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism and similar problems that may result from family or romantic relationships within the workplace. While it is not the Company's intent to infringe upon the normal development of friendships or romantic relationships within the workplace, or discourage the hiring of relatives or other close relations, the Company does require clear boundaries between each employee's personal and business interactions as defined in this policy. This policy applies to all employees of The Heritage Group.
2. **Relatives** - For purposes of this policy, a relative is defined as any person who is related by blood, marriage, adoption or other legal guardianship, or whose relationship with the employee is similar to that of a person related by blood or marriage.

A relative may be hired only if he/she will not be working directly for, or supervising, a relative. A relative may not have direct or indirect control over the compensation and/or career path/job responsibilities of a relative. If two employees become relatives after each has already been employed, an attempt will be made to reassign one of the parties, or otherwise mitigate the impact of the change, to ensure compliance with this policy. If necessary, one of the employees may be required to leave the Company.

Exceptions to this policy must be approved by the head of the operating unit in conjunction with Human Resources.

3. **Fraternalization** - The Company recognizes that the work place is often a common ground through which people meet and develop close relationships. Personal and/or romantic relationships between two non-managerial employees that do not create a conflict of interest, cause disruption, create a negative or unprofessional work environment, or present concerns regarding supervision, safety, security or morale, are not prohibited. However, should such a relationship lead to any of these consequences, the situation will be immediately subject to review by management and could result in disciplinary action, up to and including termination of employment for one or both individuals.

Personal and/or romantic relationships between an employee in a managerial position and any other Company employee (peer, subordinate or otherwise) must be immediately disclosed to management and Human Resources. The disclosure will enable the Company to determine whether any conflict of interest exists because of the relative positions of the individuals involved. If a conflict of interest is identified, the Company will work to mitigate the concern. If necessary, one of the employees may be required to leave the Company.

4. Questions About this Policy and Reporting Violations of this Policy - Employees are encouraged to raise questions regarding this policy to Human Resources. An employee who feels he/she has been disadvantaged as a result of this policy or who believes this policy is not being adhered to, should contact Human Resources.