

## **PURPOSE**

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations; we adhere to these higher standards. Employees and directors are required to familiarize themselves with Company policies that relate to their work.

This Code applies to all of our directors, officers and employees. We refer to all persons covered by this Code as “Company employees” or simply “employees.” We also refer to our chief executive officer and our chief financial officer as our “principal financial officers.”

The Company has a simple and straightforward policy on the rules of conduct and behavior that are expected from employees and agents when they are conducting Company business. It is a commitment to do what is right, obey all laws, behave with integrity and honesty, treat people fairly, respect diversity, accept accountability, communicate openly, and always behave in a way that is above reproach. Generally, these requirements are referred to as ethics. Each employee is required to maintain these high ethical standards at all times even though doing so may result in the loss of business to the Company. No employee of the Company should feel that a compromising or unethical situation is justified by any possible business result. Anyone who violates these rules of conduct and behavior could be subject to criminal or civil penalties and/or be subject to corrective action up to and including discharge from the Company.

All employees and agents are expected to apply the highest ethical standards and observe all laws and regulations applicable to the Company’s business. No employee or agent has the authority to require or approve any action that would break the law or violate ethical standards. Employees or agents should avoid situations where anyone engages in activities that would accomplish indirectly for the Company what the Company could not legally or ethically do directly.

This Code of Business Conduct and Ethics, as applied to the Company’s principal financial officers, shall be our “code of ethics” within the meaning of Section 406 of the Sarbanes-Oxley Act of 2002 and the rules promulgated there under.

This Code and the matters contained here are neither a contract of employment nor a guarantee of continuing Company policy. We reserve the right to amend, supplement or discontinue this Code and the matters addressed in it, without prior notice, at any time.

## **Seeking Help and Information**

This Code is not intended to be a comprehensive rulebook and cannot address every situation that our employees may face. In the event any employee feels uncomfortable about a situation or has any doubts about whether it is consistent with the Company’s ethical standards, he/she should seek help. We encourage our employees to contact their supervisors for help first. If a supervisor cannot answer a particular question or if an

employee does not feel comfortable contacting his/her supervisor, the employee should contact the Executive Vice President, Secretary and General Counsel or the Human Resources Department. An employee wishing to remain anonymous may contact the Goodman Hotline 1-800-241-5689. All calls are confidential.

### **Reporting Violations of the Code**

All employees have a duty to report any known or suspected violation of this Code, including any violation of the laws, rules, regulations or policies that apply to the Company. If an employee knows of, or suspects a violation of this Code, he/she should immediately report the conduct to his/her supervisor. The supervisor will contact the Human Resources Department, which will work with the employee and the supervisor to investigate the matter. If the employee does not feel comfortable reporting the conduct to a supervisor or does not get a satisfactory response, the employee may contact the Human Resources Department directly. An employee wishing to remain anonymous may contact the Goodman Hotline 1-800-241-5689. All calls are confidential.

Every report of known or suspected violations involving the accuracy of the Company's financial reports and related matters should be reported either directly to the Board of Directors or the anonymous hotline established by the Company to specifically address such matters.

An employee wishing to remain anonymous may contact the Goodman Hotline 1-800-241-5689. All calls are confidential.

Every report of known or suspected violations of the law or this Code will be handled sensitively and with discretion. Each supervisor, the Human Resources Department, the Board of Directors and the Company will protect every employee's confidentiality to the extent possible, consistent with law and the Company's need to investigate the matter.

It is Company policy that any employee who violates this Code will be subject to appropriate discipline, which may include termination of employment with cause. This determination will be based upon the facts and circumstances of each particular situation. An employee accused of violating this Code will be given an opportunity to present his/her version of the events at issue prior to any determination of appropriate discipline. Employees who violate the law or this Code may expose themselves to substantial civil damages, criminal fines and prison terms. The Company may also face substantial fines and penalties and may incur damage to its reputation and standing in the community. The conduct of each employee, as a representative of the Company, can result in serious consequences for both the employee and the Company if applicable laws or this Code are not complied with and followed.

### **Policy Against Retaliation**

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations of applicable law or this Code. Anyone engaging in reprisal or retaliation against an employee who, in good faith, sought help or filed a report will be subject to disciplinary action, including possible termination of employment with cause.

## **Product Safety Policy**

The Goodman family of companies is dedicated to providing safe, quality products to its consumers. To assist in that pursuit, any employee of Goodman should immediately contact his or her direct supervisor, any Vice President, the Vice President of Technical Services, or use the Goodman anonymous Hotline to report any observed safety or quality issues with our product. The Hotline number is 1-800-241-5689.

## **Waivers of the Code**

Waivers of this Code will be granted only in extraordinary circumstances. Waivers of this Code for employees may be made only by an executive officer of the Company. Any waiver of this Code for our directors, executive officers or other principal financial officers may be made only by the Board of Directors or the appropriate committee of the Board of Directors and will be disclosed to the public as required by applicable law.

## **CONFLICTS OF INTEREST**

### **Identifying Potential Conflicts of Interest**

A conflict of interest can occur when an employee's private interest interferes, or appears to interfere, with the interests of the Company as a whole. Employees should avoid any private interest that influences their ability to act in the interests of the Company or that make it difficult to perform their work objectively and effectively.

Identifying potential conflicts of interest may not always be clear-cut. The following situations are examples of conflicts of interest:

- **Improper Personal Benefits.** No employee should obtain any improper personal benefits or favors because of their position with the Company.
- **Financial Interests.** No employee should have a significant financial interest in any company that is a material customer, supplier or competitor of the Company. A "significant financial interest" means (i) ownership of greater than 1% of the equity of a material customer, supplier or competitor or (ii) an investment in a material customer, supplier or competitor that represents more than 5% of the total assets of the employee.
- **Loans or Other Financial Transactions.** No employee should obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions in the ordinary course of business for such entity.
- **Actions of Family Members.** The actions of family members outside the workplace may also give rise to the conflicts of interest described above because they may influence an employee's objectivity in making decisions on behalf of the Company. For purposes of

this Code, “family members” include an employee’s spouse, brothers, sisters, parents, in-laws and children whether such relationships are by blood or by adoption.

### **Disclosure of Conflicts of Interest**

The Company requires that employees disclose any situations that reasonably would be expected to give rise to a conflict of interest. If an employee suspects that they have a conflict of interest, or something that others could reasonably perceive as a conflict of interest, the employee must report it to his/her supervisor or the Human Resources Department. The supervisor and the Human Resources Department will work with the employee to determine whether he/she has a conflict of interest, and, if so, how best to address it. Although conflicts of interest are not automatically prohibited, they are not desirable and may only be waived as described in “Waivers of the Code” above.

### **CORPORATE OPPORTUNITIES**

As an employee of the Company, you have an obligation to put the interests of the Company ahead of your personal interests and to advance the Company’s interests when the opportunity to do so arises. If you discover a business opportunity through the use of corporate property or information or because of your position with the Company, you must first present the business opportunity to the Company before pursuing the opportunity in your individual capacity. No employee may use corporate property, information or his/her position with the Company for personal gain, and no employee may compete with the Company either directly or indirectly.

### **CONFIDENTIAL INFORMATION**

Employees have access to a variety of confidential business information while employed at the Company. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed, such as client lists. If you have any doubts whether any information or data concerning the Company is confidential, you must refrain from disclosure and check with the Senior Vice President of Human Resources. Employees have a duty to safeguard all confidential information, except when disclosure is authorized or legally mandated. Confidential information is not to be stored on wireless devices or saved on cloud based or other storage services. An employee’s obligation to protect confidential information continues after an employee leaves the Company. Unauthorized disclosure of confidential information could cause competitive harm to the Company and could result in legal liability to you and the Company.

As a result of the Company’s business relationships with customers, suppliers and others, employees may also have access to and be entrusted with confidential information of other companies. In these cases, other companies’ confidential information must be afforded the same protection as the Company’s confidential information.

Violation of these confidentiality obligations may result in discipline up to and including dismissal.

## **FAIR DEALING**

The Company competes vigorously but fairly. All employees are obligated to deal fairly with the Company's customers, suppliers, competitors and employees. Employees will not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair-dealing practice.

## **GIFTS AND ENTERTAINMENT**

Receipt of gifts and entertainment are discouraged, and should never compromise your ability to make objective and fair business decisions. In other words, gifts and entertainment may never be exchanged for information, treatment or opportunities that otherwise would not be given. If you conduct business in other countries, you must be particularly careful that gifts and entertainment are not construed as bribes, kickbacks or other improper payments. If you have any questions about whether it is permissible to accept a gift or something else of value, contact Human Resources for additional guidance.

## **PROTECTION AND USE OF COMPANY ASSETS**

All employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. The use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

## **COMPANY RECORDS**

Accurate and reliable records are crucial to our business. Our records are the basis of our earnings statements, financial reports and other disclosures to the public and guide our business decision-making and strategic planning. Company records include booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of our business.

All Company records must be complete, accurate and reliable in all material respects. Undisclosed or unrecorded funds, payments or receipts are inconsistent with our business practices and are prohibited. Our employees are responsible for understanding and complying with our record keeping policy. Each employee should ask his/her supervisor if he/she has any questions.

## **ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS**

We are subject to various laws, regulations and reporting obligations. Both the law and our policies require the disclosure of accurate and complete information regarding the Company's business, financial condition and results of operations. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.


The Company's principal financial officers and other employees working in the Accounting Department have a special responsibility to ensure that all of our financial disclosures are full, fair, accurate, timely and understandable. These employees must understand and strictly comply with generally accepted accounting principles and all standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.

## **COMPLIANCE WITH LAWS AND REGULATIONS**

Each employee has an obligation to comply with all laws, rules and regulations applicable to the Company's operations. These include, without limitation, laws covering bribery and kickbacks, copyrights, trademarks and trade secrets, information privacy, insider trading, illegal political contributions, antitrust prohibitions, foreign corrupt practices, offering or receiving gratuities, environmental hazards, employment discrimination or harassment, occupational health and safety, false or misleading financial information or misuse of corporate assets. Each employee is expected to understand and comply with all laws, rules and regulations that apply to his/her job position. If any doubt exists about whether a course of action is lawful, each employee should seek advice from their supervisor, the Executive Vice President, Secretary and General Counsel, or the Human Resources Department.

## **CONCLUSION**

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If any employee has any questions about these guidelines, he/she should contact his/her supervisor, the Executive Vice President, Secretary and General Counsel, or the Human Resources Department. We expect all Company employees to adhere to these standards.



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Satoru Akama  
President and Chief Executive Officer