



**Jack Cooper Enterprises, Inc.  
Code of Business Conduct and Ethics Policy**

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*Final*

**Jack Cooper Enterprises, Inc.  
Code of Business Conduct and Ethics Policy<sup>1</sup>**

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<sup>1</sup> Comment To Draft: This draft assumes an IPO and, therefore, that the JCEI Board has committees. Currently, only the JCHC Board has committees.



# Code of Business Conduct and Ethics Policy

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## 1.0 Purpose

This Code of Business Conduct and Ethics Policy (this “**Code**”) covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all directors, officers, and employees of Jack Cooper Enterprises, Inc. and its wholly-owned or controlled subsidiaries (collectively, the “**Company**”). All directors, officers, and employees of the Company must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. This Code should also be provided to and followed by the Company’s agents and representatives. In addition, Company policies apply to various Company operations and all employees need to know and follow those policies that apply to Company work. For purposes of this Code, the Company’s directors, officers, and employees are referred to herein as “**Covered Persons**”.

If a law conflicts with a policy in this Code, Covered Persons must comply with the law. Alternatively, if a local custom or policy conflicts with this Code, Covered Persons must comply with this Code. If you have any questions about these conflicts, Covered Persons should ask their supervisor how to handle the situation. Directors and officers of the Company should discuss any questions with the Company’s General Counsel. Covered Persons are responsible for understanding the legal and policy requirements that apply to their jobs and for reporting any suspected violations of law, this Code, or any Company policy.

Those who violate the standards in this Code will be subject to disciplinary action, including possible dismissal. Furthermore, violations of this Code may also be violations of law and may result in civil or criminal penalties for Covered Persons, their supervisors, if any, and/or the Company. If a Covered Person is in a situation that they believe may violate or lead to a violation of this Code, they should follow the procedures set out in Section 4.16 (Compliance Procedures) of this Code.

The basic principles discussed in this Code are subject to any other Company policies covering the same issues.

## 2.0 Related Policies

The following policies may be referenced throughout this Code and should be consulted for additional guidelines:

- *Anti-Corruption and FCPA Compliance Policy* (the “**FCPA Policy**”)
- *Corporate Disclosure Policy* addressing Regulation FD
- *Corporate Governance Guidelines*
- *Employee Handbook*
- *Insider Trading Policy*
- *Internal Controls Policy*
- *Internal Investigations Policy*



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- *Online Conduct Policy*
- *Record Retention Policy*
- *Related Party Transactions Policy*

## 3.0 Scope / Responsibility

All Covered Persons are required to follow this Code. All Covered Persons must acknowledge this Code upon onboarding or hire and re-acknowledge annually thereafter. The Audit Committee (the “**Audit Committee**”) of the Board of Directors of Jack Cooper Enterprises, Inc. (the “**Board**”) has the ultimate authority to assess the applicability of this Code to each situation, and its determination as to corrective measures and disciplinary action in the enforcement of this Code, up to and including immediate discharge without prior warning, shall be final and conclusive. If a situation exists or arises where a Covered Person is in doubt as to what to do, they should follow the procedures described in Section 4.16 (Compliance Procedures) of this Code.

## 4.0 Guidelines

This section describes the business practices and procedures covered by this Code. All potential conflicts must be disclosed and submitted in writing. All exceptions must be approved by the Audit Committee.<sup>2</sup>

### 4.1 Compliance with Laws, Rules, and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which this Company’s ethical standards are built. All Covered Persons must respect and obey the laws, rules, and regulations of the cities, states, and countries in which we operate. Although Covered Persons are not expected to know the details of each of these laws, rules, and regulations, it is important to know enough to determine when to seek advice from supervisors, managers, or the General Counsel.

### 4.2 Conflicts of Interest

It is the Company’s policy that all Covered Persons avoid any conflict between their personal interest and those of the Company. The purpose of this Code is to ensure that the Company’s honesty and integrity, and therefore its reputation, are not compromised. A “**conflict of interest**” exists when a person’s private interest interferes in any way, or even appears to interfere, with the interests of the Company. A conflict of interest situation can arise when a Covered Person takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when a Covered

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<sup>2</sup> Comment To Draft: No need to have a conflict form, but we can prepare one if the NCG Committee and the Audit Chair so desires.



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Person (or a member of his or her family) receives improper personal benefits as a result of his or her position with the Company. It is not possible to give an exhaustive list of situations that might involve violations of this Code. However, the situations that would constitute a conflict of interest in most cases include, but are not limited to:

- Loans to, or guarantees of obligations to, a Covered Person or his or her family members by the Company may create conflicts of interest and in certain instances are prohibited by law.
- Holding an interest in any organization that does, or is seeking to do, business with the Company, by any Covered Person who is in a position to directly or indirectly influence either the Company's decision to do business, or the terms upon which business would be done with such organization.
- Holding a material interest in an organization that competes with the Company.
- Being employed by (including as a consultant) or serving on the board of any organization which does, or is seeking to do, business with the Company (e.g., a customer or supplier) or which competes with the Company.
- Profiting personally (e.g., through commissions, loans, expense reimbursements, or other payments) from any organization seeking to do business or doing business with the Company.
- Acceptance of any gift or other favor such as entertainment or services under circumstances where the receipt of such gift or favor might reasonably be deemed by others to influence the judgment or actions of the Covered Person in the conduct of the Company's business (as further described in the Company's FCPA Policy).

Although the Company does not wish to interfere with the normal exchange of social amenities and courtesies (e.g., occasional business-related meals or promotional items of nominal or minor value), Covered Persons should use their best judgment and consult with their supervisors, the Human Resources Department, or the General Counsel accordingly when accepting modest courtesies which are openly given and accepted as part of the usual business amenities, as well as refer to the Company's FCPA Policy.

A conflict of interest would also exist when a member of a Covered Person's immediate family is involved in situations such as those described above. Please see our Related Party Transactions Policy for additional information.

### **Investments by Officers**

To avoid any conflicts of interest, officers of the Company (either individually or with any related party or parties and subject to the Company's governing documents, as may be amended from time to time) shall not, without the approval of the Audit Committee, directly or indirectly:

1. Invest in the securities of any company in which the Company itself has made an investment;



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2. Make any investment in a potential corporate opportunity; or
3. Make any investment (determined at the time it is made), whether direct or indirect through any other person or entity, in any competitor of the Company.

### **Service on Boards of Directors**

No officer may serve on the board of directors or advisory board, or their equivalent, of any company, other than any non-profit entity, without the approval of the Audit Committee.

In addition, each member of the Board shall annually disclose in writing to the Audit Committee all of his or her board of directors, advisory board, or equivalent positions in other companies (private and public, including non-profit entities). Each Board member shall also disclose in writing to the Audit Committee any such proposed position with a public company before it becomes effective. The Audit Committee shall inform the Board of any potential conflicts of interest with respect to any such position.

### **Compensation Committee**

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Company for services (other than directors fees payable to each director) is precluded from voting on matters pertaining to that member's compensation; provided, however, that the Compensation Committee shall have the authority to determine the annual compensation, including any option grants, of each member of the Board for services performed as a member of the Board or a member or chairman of one of the Board committees.

## **4.3 Corporate Opportunities**

Covered Persons are prohibited from taking opportunities that are discovered through the use of corporate property, information, or position for themselves without the consent of the Board (subject to the Company's governing documents as may be amended from time to time). No Covered Person may use corporate property, information, or position for personal gain and no Covered Person may compete with the Company directly or indirectly. Covered Persons owe a duty to the Company to advance the Company's interests when the opportunity to do so arises.

## **4.4 Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each Covered Person should endeavor to respect the rights of and deal fairly with the Company's customers, suppliers, competitors, and employees. No Covered Person should



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take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal trade practice.

No Covered Person is permitted to engage in price fixing, bid rigging, allocation of markets or customers, or similar illegal activities.

To maintain the Company's valuable reputation, compliance with our quality processes and safety requirements is essential. All inspection and testing documents must be handled in accordance with all applicable specifications and requirements.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided, or accepted by any Covered Person, family member of a Covered Person, or agent that is: (1) a cash gift; (2) inconsistent with customary business practices and customer specific business practices; (3) can be construed as a bribe or payoff; or (5) violates any laws, regulations, or applicable policies of the other party's organization. Employees should discuss with their supervisor any gifts or proposed gifts that they are not certain are appropriate.

Refer to the Company's FCPA Policy for additional guidance.

### **4.5 Political Contributions**

Except as approved in advance by the General Counsel, the Company prohibits political contributions (directly or through trade associations) by the Company or its business units. This includes: (a) any contributions of Company funds or other assets for political purposes; (b) encouraging individual employees to make any such contribution; or (c) reimbursing an employee for any contribution.

Individual Covered Persons are free to make personal political contributions as they see fit.

### **4.6 Discrimination and Harassment**

The diversity of the Company's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, color, sex, religion, marital status, age, national origin or ancestry, disability, medical condition, sexual orientation, or any other consideration made unlawful by federal, state, or local laws.

Please see our "Employee Handbook" as well for more information.



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### **4.7 Health and Safety**

The Company strives to provide each employee and officer with a safe and healthy work environment. Each employee and officer has the responsibility for maintaining a safe and healthy workplace for all employees and officers by following environmental, safety, and health rules and practices and by reporting accidents, injuries, and unsafe equipment, practices, or conditions. Violence and threatening behavior are not permitted.

Employees and officers are expected to perform their Company related work in a safe manner, free of the influences of alcohol, illegal drugs, or controlled substances. The use of illegal drugs will not be tolerated.

### **4.8 Environmental**

The Company expects its employees and officers to follow all applicable environmental laws and regulations. If you are uncertain about your responsibility or obligation, you should check with your supervisor, manager, or the Vice President of Quality Assurance & Safety for guidance.

### **4.9 Record-Keeping, Financial Controls, and Financial Disclosures**

The Company requires honest, accurate, and timely recording and reporting of information in order to make responsible business decisions.

Every payment given or received and every other transaction made by or on behalf of the Company shall be accurately and promptly entered in the Company's accounting records using the normal financial channels and methods. No undisclosed or "off the books" funds, including cost rebates and/or allowances held by vendors, etc., shall be kept and no Company expenditure shall be used for other than its stated purpose.

All of the Company's books, records, accounts, and financial statements must be maintained in reasonable detail; must appropriately reflect the Company's transactions; must be promptly disclosed in accordance with any applicable laws or regulations; and must conform both to applicable legal requirements and to the Company's system of internal controls. Refer to the Company's "Internal Controls Policy" for more information regarding adherence to the Company's system of internal accounting control.

Records should always be retained or destroyed according to the Company's "Record Retention Policy." In accordance with those policies, in the event of litigation or governmental investigation, please consult your supervisor or the General Counsel.



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### **4.10 Confidentiality**

During the course of work, a Covered Person may become aware of confidential information regarding the Company's proprietary information, which includes all non-public information that might be of use to competitors or harmful to the Company or its customers or suppliers if disclosed. This includes, but is not limited to, information regarding Company finances, pricing, products and new product/service development, software and computer programs, marketing strategies, suppliers, customers and potential customers, knowledge, skills, and abilities of personnel, and financings, acquisitions, and similar transactions. A Covered Person also may become aware of similar confidential information belonging to the Company's clients, suppliers, or targets in which they have entrusted to us. It is extremely important that all such information remain confidential, and particularly not be disclosed to our competitors or outside investors. Any Covered Person who improperly copies, removes (whether physically or electronically), uses, or discloses confidential information to anyone outside of the Company may be subject to disciplinary action up to and including termination.

The obligation to preserve the confidentiality of proprietary information continues even after employment ends.

Nothing in this Confidentiality section prohibits a Covered Person from reporting possible violations of federal law or regulation to any governmental agency or entity, including, but not limited to, the Department of Justice, the Securities and Exchange Commission, the Congress, and the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

### **4.11 Protection and Proper Use of Company Assets**

All Covered Persons should protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. All Company assets are to be protected and used efficiently, in an ethical manner, and for legitimate Company purposes. Any suspected incident of fraud or theft should be immediately reported for investigation. Company assets should not be used for non-Company business.

Company assets include electronic communication and technology. The obligation of Covered Persons to protect the Company's assets also includes the Company's proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing, and service plans, engineering and manufacturing ideas, designs, databases, records, salary information, and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Company policy. It could also be illegal and result in civil or criminal penalties.





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### 4.12 Payments to Government Personnel

Please consult the Company's FCPA Policy for specific policies and procedures to which you must adhere.

### 4.13 Reporting Illegal or Unethical Behavior

Covered Persons are required to report known illegal or fraudulent behaviors. Covered Persons are encouraged to talk to supervisors, managers, or other appropriate personnel (or, if they prefer to remain anonymous, they are encouraged to contact Lighthouse, the Company's confidential reporting hotline) about observed behavior that they believe may be illegal or fraudulent, or otherwise a violation of this Code or any other Company policy, or when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports made in good faith by Covered Persons of misconduct by others. Covered Persons are expected to cooperate in internal investigations of misconduct and to adhere to the Company's "Internal Investigations Policy." Please refer to [Section 4.16](#) (Compliance Procedures) for appropriate methods to submit concerns.

### 4.14 Improper Influence on Conduct of Auditors

Covered Persons are prohibited to directly or indirectly take any action to coerce, manipulate, mislead, or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include, but are not limited to, those actions taken to coerce, manipulate, mislead, or fraudulently influence an auditor: (1) to issue or reissue a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of generally accepted accounting principles, generally accepted auditing standards, or other professional or regulatory standards); (2) not to perform an audit, review, or other procedures required by generally accepted auditing standards or other professional standards; (3) not to withdraw an issued report; or (4) not to communicate matters to the Company's audit committee.

### 4.15 Financial Reporting

Jack Cooper Holdings Corp. ("**JCHC**"), a wholly-owned subsidiary of Jack Cooper Enterprises, Inc., is subject to the reporting requirements of Section 15(d) of the Securities Exchange Act of 1934, as amended, and files its current and periodic reports with the U.S. Securities and Exchange Commission (the "**SEC**"). Accordingly, it is necessary for JCHC that its filings with the SEC, and other public communications made by JCHC, be complete, fair, accurate, timely, and understandable. Furthermore, as long as the Company has outstanding debt securities issued under Rule 144A or other exemptions from the requirement to register securities under the Securities Act of 1933, as amended, it is necessary that the Company's reports posted for the benefit of the holders of such debt securities be complete, fair, accurate, timely, and understandable. The Company expects employees and officers to take this responsibility very



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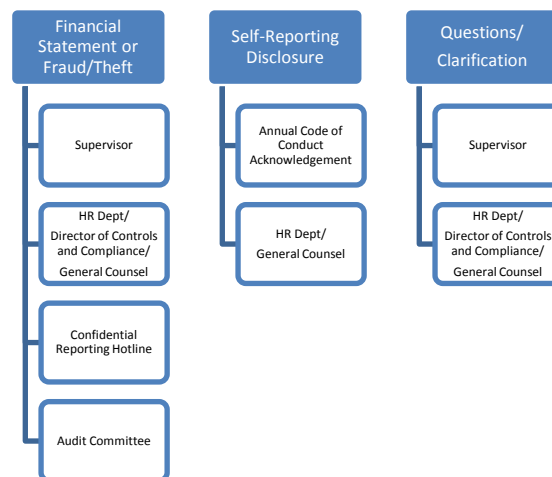
seriously and provide prompt and accurate answers to inquiries related to the Company's and JCHC's disclosure requirements.

The Company's policy is to comply with all financial reporting and accounting regulations applicable to the Company. If any employee or officer has concerns or complaints regarding accounting or auditing matters of the Company, then he or she is encouraged to submit those concerns by one of the methods described in Section 4.16 (Compliance Procedures).

### 4.16 Compliance Procedures

All Covered Persons must work to ensure prompt and consistent action against violations of this Code. Covered Persons must acknowledge this Code upon onboarding or hire (and re-acknowledge annually thereafter) and disclose any possible violations to this Code.

Should a Covered Person need to disclose a possible violation or clarify their understanding of the Code, the following communication methods are available:



- **Possible financial statement violation/fraud/theft:** A Covered Person suspecting possible Code violations related to the Company's financial statements, fraud, and/or theft should first communicate their concerns to their supervisor. If their supervisor is not available or they do not feel comfortable discussing it with their supervisor, they should contact the Human Resources Department, the Director of Controls and Compliance, or the General Counsel. If the employee prefers to remain anonymous, the employee is encouraged to contact Lighthouse, the confidential reporting hotline maintained by a third-party service provider that will direct the concerns to the appropriate parties and maintain the employee's anonymity. If the employee feels that these methods will not adequately address their concerns, the employee may escalate to the Audit Committee.



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*Lighthouse Confidential Reporting Hotline: (855) 400-7008*

[www.lighthouse-services.com/jackcooper](http://www.lighthouse-services.com/jackcooper)

- **Self-reporting disclosure:** A Covered Person that recognizes a possible violation of the Code that they are committing may disclose this information as part of the annual process to re-acknowledge the Code. If the timing of the annual re-acknowledgement does not enable a timely disclosure, the Covered Person is encouraged to disclose the possible violation to an officer of the Human Resources Department, the General Counsel, or the Audit Committee.
- **Questions/clarification:** When a Covered Person is not sure how to assess a new situation and/or needs further clarification on the interpretation of the Code, the Covered Person should contact their supervisor. If the supervisor is not available or Covered Employee does not feel comfortable discussing it with their supervisor, the Covered Employee is encouraged to contact the Human Resources Department, the Director of Controls and Compliance, or the General Counsel.