



***Code of Conduct  
For Apache Employees &  
Board of Directors***



**Dear Fellow Employee:**

*I am pleased to provide you with a copy of the Apache Nitrogen Products, Inc. (Apache) Code of Conduct. It contains the policies that guide our actions day to day. It represents a reaffirmation of our commitment to the highest level of ethical and legal conduct.*

*This guide is designed as a resource. It gives you basic information about the legal and policy standards that apply to your assigned duties. It explains how to prevent or detect and report potential violations. Please become very familiar with its contents. Adherence to these guidelines is a requirement of continued employment.*

*Unethical or illegal conduct, even by one individual, ultimately can jeopardize the integrity of Apache. Employees who violate these policies, whether for personal gain, perceived benefit to the company or for any other reason could result in civil or criminal liability for violators as well as for the company. As an informed Employee, you can help prevent this by recognizing and reporting potential violations.*

*This guide cannot address all possible situations. Accordingly, you should use this document in conjunction with the referenced company policies and your own good judgment, when making choices and decisions.*

*After you have studied the contents of this guide, you will be asked to certify that you have read it and agree to abide by its provisions and with the policies described in this Code. You will be asked annually to repeat this process to reaffirm your continued understanding of and compliance with this Code.*

*Our achievements as a company and as individuals require hard work and constant dedication to high standards. As we strive to grow and improve our business, we all must clearly understand that upholding these standards is one of our most important priorities.*

*I suggest you place this Code in the front of your Employee Handbook, for easy access and occasional review.*

*Sincerely,  
Robert E. Cashdollar, Jr.  
President and Chief Executive Officer*



*Code of Conduct*  
*For Apache Employees & Board of Directors*

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## *Code of Conduct*

### *For Apache Employees & Board of Directors*

#### ***Vision***

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To be the Supplier of Choice in the markets we serve by continually meeting and exceeding customer's expectations.

#### ***Mission***

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To work as a unified team to continuously improve our customer satisfaction, safety performance, environmental stewardship, and plant processes through innovation and Employee involvement, while expanding our production capabilities and our ability to develop new markets that add value to our shareholders and Employees.

#### ***Company Values***

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As a company and as Apache Employees, we are committed to working safely; doing what's right; instilling trust and confidence in Employees and the organization; and working together. It is our dedication to these values that sets Apache apart from other companies.

#### ***Attitude***

- Pride in your work team and the Company
- Teamwork – involving and supporting others
- Respect for others and their ideas

#### ***Performance<sup>+</sup>***

- Confident and competent people
- Exceeding Customer's expectations through Partnerships
- Innovative continuous process and personal improvement

#### ***Accountability***

- Personal responsibility
- Ownership for one's actions and their impact
- Meeting commitments - doing what you say you will do

#### ***Character***

- Kindness
- Honesty and integrity
- Moral and ethical behavior

#### ***Health, Safety & Environment***

- Employee safety
- Environmental protection
- Personal wellness

#### ***Engagement***

- Involvement of the right people at the right time
- Bringing out the best in others
- Community – being a good neighbor



## *Code of Conduct*

### *For Apache Employees & Board of Directors*

#### ***Introduction***

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You are expected to familiarize yourself with this Code so you may readily distinguish any act that would constitute a violation of Company policy and regulatory requirements. Each Employee is responsible for his or her own actions.

It is incumbent upon you, as an Employee of the Company, to perform satisfactorily and to follow our policies and comply with our rules. Violations can result in corrective action, up to and including termination of employment and criminal prosecution.

In observance of this Code, as in other business conduct, there is no substitute for common sense. Each Employee should apply this Code with common sense and the attitude of seeking full compliance with the letter and spirit of the policies presented.

#### ***General Direction***

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All Employees must read, understand and implement the Apache Code of Conduct. In so doing every Employee has the responsibility to recognize, and to avoid or prevent situations that may cause possible violations of this Code.

If, after reviewing the information in the Code, an Employee has questions about its content or about matters pertaining specifically to his or her area of responsibility, the Employee should consult with his or her Supervisor.

If the Supervisor cannot answer the questions to the satisfaction of the Employee, the questions should be directed to Human Resources personnel, or any Director of the Company.

#### ***Reporting***

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In the areas of ethics, legality, and policy, each Employee has an obligation to the Company which transcends normal reporting relationships. Employees should be alert to possible violations of the Code anywhere in the Company, and are encouraged to report such violations promptly. Employees are expected to report any known violation or suspicion of violation. If comfortable, the first step is to report the concern to their immediate Supervisor or Human Resources personnel.

Apache has established a system for internal reporting of violations of this Code. The Corporate Secretary, Pamela Beilke, has been identified by Apache as the Compliance Officer for concerns related to this Code. She is normally available in the front office during regular business hours, and she always has an open-door policy for any Employee to visit her at any time. In addition she can be contacted via Company phone voice-mail (Extension 2114) and the Company e-mail system ([pbeilke@Apachenitro.com](mailto:pbeilke@Apachenitro.com)) at any time. Finally, she is available 24 hours a day, 7 days a week via a Company-provided cell phone (520-975-9426). Employees are encouraged to contact Ms. Beilke at any time to report any concerns regarding compliance.

In the absence of the Corporate Secretary, fraud or suspected fraud may be reported to the Director of Resources or the President.



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#### ***Compliance Hotline***

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There are times when an Employee may not be comfortable reporting an issue of concern regarding compliance, ethics or fraud to any Employee of the Company. Apache provides a method for any Employee to report a violation anonymously if the Employee is uncomfortable reporting directly to Company Management.

**There will be no reprisal against an Employee because the Employee in good faith reported a violation or suspected violation of this Policy.**

A professional independent third-party firm has been retained to serve as a liaison between an identified or anonymous individual and the Company. The third party is a Certified Public Accounting firm. The individual to whom the issue is reported will retain full confidentiality and will honor a caller's desire for anonymity, if requested. Complaints may be submitted through a website or via phone.

The website address for submitting an on-line complaint regarding compliance issues is [www.fraud-hotline.com](http://www.fraud-hotline.com).

There is also a direct e-mail address available for reporting a complaint: [jeff@kwacpa.com](mailto:jeff@kwacpa.com).

The phone numbers for submitting a complaint are:  
Office: 954-980-1260, Ext. 2#, or  
Cell: 954-980-3958

#### ***Certification***

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Every Employee, permanent Contract Employee and member of the Board of Directors receiving this guide is asked to review its contents and then certify that he or she agrees to abide by its provisions. A record of that certification will then be maintained as part of the Employee's permanent personnel file. Employees or long-term contract Employees of the company will be asked to repeat this process on an annual basis. Please note that the certification process also permits the Employee to raise any issues regarding compliance with the Code in order to obtain clarification.

#### ***Code of Conduct***

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This Code of Conduct confirms the importance Apache places on high standards of business conduct. Adherence to the policies referenced in this Code by all Employees and members of the Board of Directors will ensure the confidence and support of our co-workers, customers, suppliers, regulators, auditors and the general public.

The Code is a general guide to acceptable and appropriate behavior at the Company, and Employees are expected to comply with its contents; however, the absence of a specific guideline, practice or instruction covering a particular situation does not relieve an Employee from exercising the highest ethical standards applicable to the circumstances.



## *Code of Conduct*

### *For Apache Employees & Board of Directors*

Apache is committed to conduct its business ethically and in accordance with all applicable laws; to adhere to standards of safety and care for the protection of its Employees, the public and the environment; and to promote these policies through education, supervision and regular reviews.

#### ***Quick Reference Policy Summaries***

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The following policies are the basis of Apache's Code of Conduct. The Quick Reference provides a brief summary of each policy that applies to your day-to-day behavior. These summaries are intended only to serve as a convenient reference, not to cover all the details of each policy. The full Policy is contained in the Employee Handbook and each Employee is expected to be familiar with all aspects of the policies. The applicable Policy Number is specified within each section.

#### **Occupational Health and Safety**

We are committed to establishing and maintaining a safe and healthy work environment. Policy No. 710 covers the responsibility of management and Employees to assure a hazard-free workplace by using appropriate processes, practices and methods, and by providing timely education and training.

#### **Environmental Stewardship**

Apache Employees must understand the importance of environmental stewardship for everyone working at or with Apache. Next to, and in many cases equal with safety, proper environmental behavior and performance is the most important responsibility an Employee has at Apache as specified in Policy No. 710.

#### **Drug and Alcohol**

Apache maintains a drug and alcohol-free work environment to ensure a safe, healthy and productive workplace. Policy No. 430 prohibits the use, consumption, possession, distribution or sale of illegal drugs or controlled substances, or being under the influence of alcohol while working.

#### **Freedom from Discrimination, Harassment and Other Abusive Situations**

Apache will not tolerate any form of discrimination or harassment. Policy No. 021, "Equal Employment Opportunity" and Policy No. 418, "Harassment, Including Sexual Harassment" address these issues. In addition, on a bi-annual basis professional training is provided by the Company's Employee Assistance Plan provider in these areas to assure the issues are completely understood and on the front of every Employee's mind. In addition, Policy No. 230, "Employee Assistance Program" is available to assist with other personal needs.

#### **Freedom from Conflicting Interests**

We will avoid situations in which an Employee's interests are in conflict or appear to be in conflict with those of the company. It is the responsibility of every Employee and his or her family members to avoid any action that may interfere with the Employee's primary duty to serve the company at all times. Policy No. 411 provides a general Policy regarding avoiding and reporting conflict of interest.



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#### **Gifts**

In addition to avoiding actual conflicts of interest, Employees must also avoid creating an appearance that their judgment as an Employee may have been influenced by personal considerations. Policy No. 405 provides guidelines to ensure that a gift, entertainment, or discounts won't influence an Employee's judgment regarding the good of the Company and fair business decision making.

#### **Fraud**

Apache management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Policy No. 407 provides guidelines and assigns responsibility for the development of controls, conduct, investigations, and corrective actions.

#### **Company Assets and Transactions**

All business records, accounts and reports to government agencies and others must be prepared with care and honesty. False or misleading entries in the company's records are unlawful and are not permitted. All Company funds, assets and liabilities must be recorded in accordance with appropriate Company accounting procedures. All Employees must ensure that accounting and internal control procedures are strictly adhered to at all times in accordance with Policy No. 405.

#### **Records Management**

Accuracy and reliability of Apache's business records are not only mandated by law, but are of critical importance to the company's decision-making process and to the proper discharge of our financial and legal reporting obligations in accordance with Policy No. 405. Policy No. 050 establishes standards by which information in personnel records is managed to maintain accuracy and privacy.

#### **Company Computers, Information Systems**

Apache conducts much of its business utilizing computers, including numerous types and styles of software, networks, information systems, and the Internet use and content. It is very important that Employees use these tools for business purposes only and that strict levels of security and confidentiality are maintained. Policy No. 950, "Federal Copyright Act Regarding Software" and Policy No. 960, "Company Computer Use" provide important information and guidelines in this area.

#### **Company Telephone Use**

Employees are required to use telephones every day while conducting business for Apache. Calls will include internal communications between plants and local offices, and for some individuals, long distance calls. Policy No. 415 of the Employee Handbook provides guidance and direction for the use of Company phones.

#### **Confidential Information & Communications, Intellectual Property, Patents, etc.**

Employees are to assume all Company information, whether technical, business, financial, or otherwise concerning the Company, and all private information relating to fellow Employees, personal records, customers, or suppliers will be considered confidential and private. Policy No. 405 provides further details.



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#### **Competition and Antitrust**

The Company supports competition based on quality, service, and price. We will conduct our affairs honestly, directly, and fairly. Policy No. 405 specifies that Employees must never discuss with competitors any matter directly involved in competition between Apache and the competitor.

#### **General Rules & Regulations**

Policy 410, “Company’s General Rules and Regulations” provides specific rules for which violation could result in termination.

#### ***Other Codes of Expected Behavior***

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Other codes of expected behavior as part of a good corporate citizen and that are not written as Apache’s existing policies:

#### ***Fair Dealing***

The success of our company depends on building relationships based on honesty, integrity, ethical behavior and mutual trust. Every Employee should endeavor to deal fairly with each of our customers, suppliers, competitors and other Employees.

#### ***International Business***

Apache exports product to other countries, as such, is subject to laws and regulations which vary from country to country. We will comply with the laws and regulations of international business in the countries in which Apache conducts business.

#### ***Loans***

The company will not extend, maintain or arrange for any personal loan to or for any executive officer or director. Providing loans to, or guarantees of obligations of, Employees or their family members will not be allowed without the prior written consent of the Chief Financial Officer and Chief Executive Officer of the Company.

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

The proper and efficient use of company and customer assets (i.e., information, material facilities and equipment), as well as intangible assets, is the responsibility of each Employee. No Employee will use or cause to be used any information in a way that could negatively impact either the perception or business of the company or customer.

#### ***Political Contributions and Public Service***

Employees are encouraged to be actively involved in the civic affairs of the communities in which they live. In doing so Employees should take care not to create the impression they are acting on behalf of Apache unless specifically authorized to do so.

#### ***Business Conduct and Meaningful Financial Records***

We are committed to conduct our business both ethically and legally, and to present its financial information in a manner that will not mislead or misinform those who receive and use it.



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For Apache Employees & Board of Directors*

***Acknowledgment & Certification***

I have had the opportunity to read Apache Nitrogen Products, Inc.'s Code of Conduct.

I hereby acknowledge and agree, as a condition of my employment with Apache Nitrogen Products, Inc., to comply in all respects of the Code.

I acknowledge that failure to abide by the Code may be grounds for disciplinary action, up to and including termination of employment.

I acknowledge that I may be required to certify in writing, on a periodic basis my compliance with the Code.

I further certify that I am not aware of any conditions or events that may represent violations of the Code at this time.

Name of Employee: \_\_\_\_\_ Name of Witness: \_\_\_\_\_  
(Please print) (Please print)

Employee Signature: \_\_\_\_\_ Witness Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**Complete and return to the Human Resources Department.**