

Code of Conduct

DXP Enterprises, Inc. and subsidiaries

A Message from David R. Little

Since its founding in 1908, DXP Enterprises, Inc. has always counted on its employees to demonstrate an unwavering commitment to honesty and integrity. Today's business environment is complex and much has changed, but one thing that has never changed is our belief that maintaining our good reputation depends on each of us being personally responsible for our conduct.

An important step in meeting our day-to-day ethics and compliance responsibilities is to be mindful of our commitments to each other, our customers, our business partners, and to the communities where we work and live. This Code of Conduct provides information about our personal responsibilities, including complying with the law and applying our good judgment each and every day.

Of course this Code cannot answer all of your questions or address every situation; which is why we have established resources to answer questions and follow-up when problems occur. If you are unsure of what to do in particular circumstances or concerned that the Code, our policies or regulations are being broken, you have a responsibility to speak up. A problem cannot be resolved unless it has first been identified. It is quite simple: if you have a question, or believe there may be a violation, speak up.

I believe the quality of our people, and our commitment to ethics and compliance will not only enable us to succeed today, but will help us to achieve long term success. I am convinced that working together, with the help of this Code, we will not only meet our goals, but we will also continue to be proud of how we achieve success.

Thank you.

Sincerely,

David R. Little
Chairman of the Board, President and Chief Executive Officer
DXP Enterprises, Inc. and subsidiaries

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Our Commitment to Ethics and Compliance

Protecting DXP Enterprises, Inc.'s reputation is the responsibility of every employee. We must always act with integrity; when we do, others will know they can trust us and have confidence that we will be honest and fair. We want to be known as a company that always honors its commitments and is a reliable business partner. When we do the right thing, we protect our reputation and that will help us to succeed even in today's complex and competitive business environment.

This Code is designed to help when you have questions about what to do in specific situations. It is a summary of how we will do business in accordance with our values, policies, and various laws and regulations.

For the purposes of this Code DXP Enterprises, Inc. and its direct and indirect subsidiaries shall be referred to collectively as "DXP" or the "Company."

Since DXP operates in the United States, Canada, Mexico and Dubai (and occasionally in other countries), we need to be especially aware of different laws and customs that apply. While we respect the norms of our customers, business partners and co-workers, all employees must at a minimum comply with the standards and principles in this Code unless they are inconsistent with local law, in which case you should seek guidance from the Vice President of Human Resources.

Certain employees of DXP's Safety Products and Services division must also be aware that certain additional healthcare regulations may apply to them. These regulations are summarized in this Code, but these employees should also take additional steps to ensure that they are informed and complying with all relevant obligations.

How to Use this Code

The Code is designed to serve as a resource when you need information about our policies or standards or when you are faced with a difficult ethical situation.

It is impossible to anticipate every question you may have or situation you might face, so in addition to the Code, DXP also has other resources that can be of help. These additional resources are listed throughout the Code. As always, the Company relies on you to use good judgment and to seek help when you need it.

To Whom this Code Applies

This Code applies to all employees, officers and members of the Company's Board of Directors (collectively, "employees"). Certain business partners, such as vendors, consultants, and

temporary employees serve as an extension of DXP. They are expected to follow the spirit of the Code, as well as any applicable contractual provisions, when working on behalf of DXP.

Managers/supervisors who supervise our business partners and temporary employees are responsible for ensuring that they understand our ethics standards. If an external business partner fails to comply with our ethics and compliance expectations and their related contractual obligations, it may result in the termination of their contract.

Asking Questions – Using the Conduct Helpline

If you see or suspect any illegal or unethical behavior, or you have a question about what to do, you have an obligation to speak up. You have several options. You can contact any of the following resources:

Vice President of Human Resources

Tracy Pawlak
5301 Hollister, Suite 400
Houston, TX 77040
Ph. (877) 996-4700 ext.4771
Email: tracy.pawlak@dxpe.com

Chief Financial Officer

Kent Yee
7272 Pinemont Dr.
Houston, TX 77040
Ph. (713) 996-4700 ext. 4736
Email: kent.yee@dxpe.com

Director Human Resources, U.S.

Tommie Garcia
5301 Hollister, Suite 400
Houston, TX 77040
Ph. (877) 996-4700 ext. 4816
Email: tommie.garcia@dxpe.com

Director Human Resources, Canada

Sarah Hermary
7739 Edgar Industrial Way
Red Deer, Alberta T4S 3R2
Ph. (403) 304-0536
Email: shermmary@dxpcanada.com

DXP Third Party Conduct Helpline

Ph. (888) 307-4308 English
Ph. (855) 350-9393 French
Ph. 001-866-737-6850 Spanish
Web: <http://dxpe.ethicspoint.com>

The Company will make every reasonable attempt to ensure that your concerns are addressed appropriately.

What to Expect When You Use the Conduct Helpline

The Conduct Helpline and the web portal are available 24 hours, seven days a week. Trained specialists from an independent third party provider of corporate compliance services, will answer your call, document your concerns and forward an anonymous written report to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer, as appropriate, to provide independence for further investigation.

When you contact DXP's Conduct Helpline or make a report using <http://dxpe.ethicspoint.com> you will remain anonymous. All reports will be treated equally whether they are submitted anonymously or not.

After you make a report, you will receive an identification number so you can follow up on your concern. Following up is especially important if you have submitted a report anonymously, as we may need additional information in order to conduct an effective investigation. This identification number will also enable you to track the resolution of the case; however please note that, out of respect for privacy, the Company will not be able to inform you about individual disciplinary actions.

Any report you make will be kept confidential by all individuals involved with reviewing and, if necessary, investigating.

DXP has an opportunity to improve every time you ask a question or raise a concern.

When you take action, speak up and report questionable conduct, you are protecting your colleagues and our reputation. Remember, an issue cannot be addressed unless it is brought to someone's attention.

Q: Our supervisor typically does nothing when concerns about potential misconduct are brought to her attention and I believe she has made things difficult for co-workers who have raised issues. Now I have a problem. A co-worker is doing something that I believe to be ethically wrong. What should I do?

A: Take action and speak up. You are required to report misconduct. While starting with your supervisor is often the best way to efficiently address concerns, if you do not believe that it is appropriate or do not feel comfortable doing so, you should talk to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Q: What if someone misuses the Conduct Helpline, makes an anonymous call, and falsely accuses someone of wrongdoing?

A: Experience has shown that the Conduct Helpline is rarely used for malicious purposes, but it is important to know that we will follow up on calls and anyone who uses the Conduct Helpline in bad faith to spread falsehoods or threaten others, or with the intent to unjustly damage another person's reputation, will be subject to disciplinary action up to and including termination.

Our Non-Retaliation Policy

You can report ethical violations in confidence and without fear of retaliation. DXP will not tolerate any retaliation against an employee who asks questions or makes reports of possible violations of the Code or policies.

Q: I suspect there may be some unethical behavior going on in my business unit involving my supervisor. I know I should report my suspicions, and I am thinking about using the Conduct Helpline, but I am concerned about retaliation.

A: You are required to report misconduct and in your situation using the Conduct Helpline is a good option. We will investigate your suspicions and may need to talk to you to gather additional information. After you make the report, if you believe you are experiencing any retaliation, you should report it to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer. We take claims of retaliation seriously. Reports of retaliation will be thoroughly investigated and, if they are true, retaliators will be disciplined up to and including termination.

Employee Responsibilities

Each of us must take responsibility for acting with integrity, even when this means making difficult choices. Meeting our responsibilities is what enables us to succeed and grow, today – and in the future.

- Always act in a professional, honest, and ethical manner when acting on behalf of the Company.
- Know the information in the Code and policies, paying particular attention to the topics that pertain to your job responsibilities.
- Complete all required employee training in a timely manner and keep up-to-date on current standards and expectations.
- Report concerns about possible violations of laws, regulations, or the Code to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.
- Cooperate and tell the whole truth when responding to an investigation or audit and never alter or destroy records in response to an investigation or when an investigation is anticipated.

Remember: no reason, including the desire to meet business goals, should ever be an excuse for violating laws, regulations, the Code or DXP policies.

Q: I am a manager and I am not clear what my obligations are if someone comes to me with an accusation – and what if it involves a senior leader?

A: No matter who the allegation involves, you must report it without exception. DXP provides several avenues for reporting concerns. If for any reason you are uncomfortable making a report to a particular person, you may talk to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Additional Responsibilities of DXP's Leadership

DXP leaders are expected to meet the following additional responsibilities:

- Lead by example. Managers and supervisors are expected to exemplify the highest standards of ethical business conduct.
- Help create a work environment that focuses on building relationships, recognizes effort, and values mutual respect and open communication.
- Be a resource for others. Communicate to employees, consultants and contract workers about how the Code and policies apply to their daily work.
- Be proactive. Look for opportunities to discuss and address ethics and challenging situations with others.
- Create an environment where everyone feels comfortable asking questions and reporting potential violations of the Code and policies. Respond quickly and effectively to concerns that are brought to your attention.
- Never ask another or pressure anyone to do something that you would be prohibited from doing yourself.
- Ensure that Company resources are used properly and productively.
- Be aware of the limits of your authority and do not take any action that exceeds those limits. Delegate authority only where permissible and never delegate authority to any individual who you believe may engage in unlawful conduct or unethical activities.
- If you supervise third parties, ensure that they understand their ethics and compliance obligations.

Managers/supervisors should not consider ethics concerns as a threat or challenge to their authority - we want an open, honest and trustful dialogue to become a natural part of daily work.

Q: I am a manager. If I observe misconduct in an area not under my supervision, am I still required to report the issue?

A: You are chiefly responsible for employees, contractors and third parties under your supervision, but all DXP employees are required to report any misconduct they become aware of, and as a leader you are especially obliged to take action. The best approach is to talk first with the supervisor who oversees the area where the problem is occurring, but if this does not work, or is not feasible, you should report the issue to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Cooperating With Investigations

It is the Company's policy to fully cooperate with government investigations. A condition of such cooperation is the Company will be represented by its own legal counsel. If you believe that a government investigation or inquiry is imminent, this information should be communicated immediately to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer. All employees are required to cooperate fully and truthfully with investigations. With respect to inquiries from

regulators, we must never mislead any investigator and never alter or destroy documents or records in response to an investigation.

All requests for information other than what is provided on a routine basis should be reported to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer immediately. When we are notified of an external investigation, we will take prompt action to preserve documents that may be relevant.

Q: I just learned that a good friend of mine has been accused of sexual harassment and that an investigation is being launched. I cannot believe it is true and I think it is only fair that I give my friend an advance warning or a 'heads up' so he can defend himself. Do I not have a responsibility as a friend to tell him?

A: Under no circumstances should you give him a 'heads up.' Your friend will be given the opportunity to respond to these allegations and every effort will be made to conduct a fair and impartial investigation. An allegation of sexual harassment is a very serious matter with implications not only for the individuals involved but also for the Company. Alerting your friend could jeopardize the investigation and expose the Company to additional risk and possible costs.

DXP Integrity Test

Making the right decision is not always easy. There will be times when you will be under pressure or unsure of what to do. Always remember when you have a tough choice to make, you are not alone. Your colleagues and management are available to help, and you have other resources to turn to including the Code, our policies, the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

When faced with a tough decision it may help to ask these questions:

- Is it legal?
- Is it consistent with the Code and policies?
- Is it based on a thorough understanding of the risks involved?
- Will I be able to look myself in the mirror and be proud of the decision?
- Would I still be comfortable with the decision if it appeared in the newspaper?

If the answer to any of these questions is no, stop and speak up.

Q: My business unit sets various goals that we are asked to achieve. Sometimes I feel pressured to violate the Code and policies to achieve these goals. Is this acceptable?

A: No. While successful businesses set high goals and employees strive to achieve them, you should never violate the Code or DXP's policies to achieve your goals.

Accountability and Discipline

Violating relevant laws, regulations or the Code, or encouraging others to do so, exposes the Company to liability and puts DXP's reputation at risk. If an ethics or compliance problem does occur, you are required to report it so that an effective solution can be developed. You should also understand that violations of laws or regulations may result in legal proceedings and penalties including, in some circumstances, criminal prosecution.

Waivers and Exceptions

Executive officers will regularly reassess this Code and recommend changes to the Board of Directors for approval. In very limited circumstances, the Company may find it appropriate to waive a provision of the Code.

Maintaining Respect and Integrity in Our Work Environment

We owe each other honesty, respect and fair treatment and we need to always treat others as we would want to be treated. This is the basis of our commitment to one another and is the foundation of our success. To maintain our commitment and to attract and keep talented individuals it is vital that we continue to have a supportive, professional and respectful work environment.

Maintaining this environment not only helps DXP succeed, it also creates the setting for each of us to thrive and to reach our full potential. What follows are some of the key areas where we must be guided by our commitment to one another.

Diversity and Non-Discrimination

DXP helps bring together employees with a wide variety of backgrounds, skills and cultures. Combining such a wealth of talent and resources creates the diverse and dynamic teams that consistently drive our results.

Our colleagues, job applicants and business partners are entitled to respect and should be judged on the basis of their qualifications, demonstrated skills and achievements.

We support laws prohibiting discrimination based on a person's race, color, gender, national origin, age, religion, disability, veteran status, marital status, sexual orientation or other protected characteristics.

Make sure you:

- Treat others respectfully and professionally.
- Promote diversity in hiring and other employment decisions.
- Do not discriminate against others on the basis of any other characteristic protected by law or Company policy.

Watch out for:

- Comments, jokes or materials, including emails, which others might consider offensive.
- Inappropriate bias when judging others. If you supervise others, judge them on performance. Avoid introducing unrelated considerations into your decisions. Use objective, quantifiable standards.

To learn more

- Discuss any questions, concerns about diversity and equal opportunity with Human Resources.

Q: One of my co-workers sends e-mails containing jokes and derogatory comments about certain nationalities. They make me uncomfortable, but no one else has spoken up about them. What should I do?

A: You should notify the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer. Sending such jokes violates our values as well as our policies pertaining to the use of e-mail and our standards on diversity, harassment and discrimination. By doing nothing you are condoning discrimination and tolerating beliefs that can seriously erode the team environment that we have all worked to create.

Harassment-Free Workplace

We all have the right to work in an environment that is free from intimidation, harassment and abuse.

Verbal or physical conduct by any employee that harasses another, disrupts another's work performance, or creates an intimidating, offensive, abusive, or hostile work environment will not be tolerated.

At DXP we do not tolerate:

- Threatening remarks, obscene phone calls, stalking or any other form of harassment.
- Causing physical injury to another.
- Intentionally damaging someone else's property or acting aggressively in a manner that causes someone else to fear injury.
- Threatening, intimidating or coercing others on or off the premises -- at any time, for any purpose.

A common form of harassment is sexual harassment, which in general occurs when:

- Actions that are unwelcome are made a condition of employment or used as the basis for employment decisions such as a request for a date, a sexual favor, or other similar conduct of a sexual nature.
- An intimidating, offensive, or hostile work environment is created by unwelcome sexual advances, insulting jokes, or other offensive verbal or physical behavior of a sexual nature.

Make sure you:

- Help each other by contacting the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer when a co-worker's conduct makes others uncomfortable.
- Never tolerate sexual harassment including requests for sexual favors, or other unwelcome verbal or physical conduct of a sexual nature.
- Demonstrate professionalism. Do not visit inappropriate internet sites or display sexually explicit or offensive pictures.

- Promote a positive attitude toward policies designed to build a safe, ethical and professional workplace.
- Report to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer all incidents of harassment and intimidation that may compromise our ability to work together and be productive.

Watch out for:

- Unwelcome remarks, gestures or physical contact.
- The display of sexually explicit or offensive pictures or other materials.
- Sexual or offensive jokes or comments (explicit or by innuendo) and leering.
- Verbal abuse, threats or taunting.

To learn more

- Discuss any questions or concerns about harassment with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Q: While on a business trip, a colleague of mine repeatedly asked me out for drinks and made comments about my appearance that made me uncomfortable. I asked him to stop, but he would not. We were not in the office and it was 'after hours' so I was not sure what I should do. Is it harassment?

A: Yes it is. This type of conduct is not tolerated, not only during working hours but in all work-related situations including business trips. Tell your colleague such actions are inappropriate and must be stopped, and if they continue you need to report the problem to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Employee Privacy

In recent years, individuals, companies and governments have grown increasingly concerned about the privacy and security of personal information. As a result, laws protecting personal information and how it may be collected, shared, and used are becoming more common.

Many of us have access to personal information related to our colleagues and others. While protecting this information may now be a legal requirement, for us at DXP, privacy has always been a matter of trust.

Make sure you:

- Learn about the types of information which are given heightened protection by the law and Company policy (such as personally identifiable information, like social security numbers and bank account numbers) and protect them through appropriate means (such as encryption or other types of limited access).
- Protect the confidentiality of personal information of current and former colleagues, as well as job applicants, business partners and customers.

- Never share colleagues' information outside the Company.
- Do not access, discuss or share confidential information unless there is a legitimate business reason to do so.
- Consult the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer if law enforcement or regulatory authority or any other person outside the Company requests employee information.
- Return or destroy personal information that is no longer required by you for business reasons in accordance with our records retention policies.
- Only share confidential employee information within the Company if you have made sure it will be appropriately protected.
- Immediately report to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer any loss or inadvertent disclosure of employee information.

Watch out for:

- Unintentional exposure of confidential information in public settings such as on phone calls or while working on your laptop.
- The loss of control of confidential information. When sending personal information across borders or to third parties, make sure that the transmissions are for legitimate business reasons and that they comply with local law.

To learn more

- Discuss any questions, concerns about employee privacy and confidential information with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Safe and Healthy Work Environment

DXP is committed to providing a safe and healthy work environment for colleagues and visitors to our facilities. Each of us is responsible for acting in a way that protects ourselves and others.

Be proactive and speak up. The more we communicate, the better we can respond to any unsafe or unhealthy working conditions.

Situations that may pose a health, safety or environmental hazard must be reported immediately to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer. We can only achieve our goal of a safe and healthy workplace through the active participation and support of everyone.

Make sure you:

- Observe the safety, security and health rules and practices that apply to your job.
- Always display and swipe your personal identification badge when entering and exiting secure areas and do not allow others to enter without properly swiping their personal identification badges.

- Notify the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer immediately about any unsafe equipment, or any situation that could pose a threat to health or safety or damage the environment. All employees have the right and responsibility to stop any work they feel may be unsafe.
- Comply with safety and health policies and procedures.
- Maintain a neat, safe working environment by keeping work stations, aisles and other work spaces free from obstacles, wires and other potential hazards.

Watch out for:

- Unsafe practices or work conditions.
- Lax enforcement of security standards, such as facility entry procedures and password protocols.
- Threats, intimidation and violence are unacceptable and have no place at DXP, in our workplace or at any off-site work-related activity.

To learn more

- Discuss any questions, concerns about environmental, health and safety with your supervisor, HSE Coordinator or the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Alcohol and Drug-Use Policy

- While at work or on Company business, you should never be impaired, and always ready to carry out your work duties.
- While conducting DXP business, do not use, possess or be under the influence of illegal drugs or any substance that could interfere with a safe and effective work environment or harm the Company's reputation.

Preventing Workplace Violence

Violence of any kind has no place at DXP. We will not tolerate the following:

- Intimidating, threatening or hostile behavior.
- Causing physical injury to another.
- Acts of vandalism, arson, sabotage or other criminal activities.
- Offensive comments regarding violent events or behavior.
- Unlawful possession of a firearm, weapon or explosive is not permitted in the workplace.

Q: I have noticed some practices that we do in my area that do not seem safe. Who can I speak to? I am new here, and do not want to be considered a troublemaker.

A: Discuss your concerns with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer. There may be very good reasons for the practices, but it is important to remember that raising a concern about safety does not cause trouble, it is being responsible.

Q: Are subcontractors expected to follow the same Health, Safety and Security policies and procedures as employees?

A: Absolutely. Managers and supervisors are responsible for ensuring that subcontractors and vendors at work on DXP premises understand and comply with all applicable laws, and regulations governing the particular facility, as well as with additional requirements the Company may impose.

Maintaining Appropriate Business Relations

Conflicts of Interest

A conflict of interest happens whenever you have a competing interest that may interfere with your ability to make an objective decision for DXP. Each of us is expected to use good judgment and avoid situations that can lead to even the appearance of a conflict which can undermine the trust others place in us and damage our reputation.

Conflicts of interest may be actual, potential or even just a matter of perception. Since these situations are not always clear-cut, you need to fully disclose them to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Make sure you:

- Avoid conflict of interest situations whenever possible.
- Always make business decisions in the best interest of DXP.
- Discuss with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer full details of any situation that could be perceived as a potential conflict of interest.
- Think ahead and proactively address situations that may put your interests or those of a family member in potential conflict with DXP.

Watch out for:

Situations including the following, which are common examples of potential conflicts of interest:

Corporate Opportunities

If you learn about a business opportunity because of your job, it belongs to DXP first. This means that you should not take that opportunity for yourself unless you get approval from the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Friends and Relatives

On occasion, it is possible that you may find yourself in a situation where you are working with a close friend or relative who works for a customer, supplier, competitor, etc. Since it is impossible to anticipate all situations that may create a potential conflict, you should disclose your situation to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer in order to determine if any precautions need to be taken.

Outside Employment

To ensure that there are no conflicts and that potential issues are addressed, you always need to disclose and discuss outside employment with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer. If approved, you need to ensure that this outside activity does not interfere or detract from your work. Working for a competitor, supplier, or customer may raise conflicts that will need to be resolved. Also, any approved side or personal business should not compete or do any business with DXP.

Personal Investments

You should not have a significant investment in, or obligation to, one of DXP's competitors, suppliers, customers or business partners unless you have obtained permission from the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources. "Significant" is hard to define, but as a rule of thumb, it means that your investment should not be big enough for someone to reasonably think that you would do something at DXP's expense to help your investment. If you are unsure whether there is a conflict, you should ask for additional guidance from the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Civic Activities

Unless an executive officer of the Company specifically asks you to do so, you should not accept a seat on the board of directors or advisory board of any of our competitors, suppliers, customers or partners, especially if your current job gives you the ability to influence our relationship with them.

To learn more

- Discuss any questions, concerns about conflicts of interest with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Gifts and Entertainment

In the right circumstances, a modest gift may be a thoughtful "thank you," or a meal may be an appropriate setting for a business discussion which strengthens a professional relationship. However, if not handled carefully, the exchange of gifts and entertainment can look like a conflict of interest, especially if it happens frequently or if the value is large enough that someone could reasonably think it is influencing a business decision.

When it comes to gifts and entertainment, our position is straightforward – we do not accept or provide gifts, favors, or entertainment if the intent is to influence a business decision.

Gifts and entertainment, before you act – think

Gifts and entertainment come in all different forms: shirts, pens, dinners, tickets to sporting events, to name just a few examples. Before you accept or offer gifts or entertainment, think about the situation – Does it legitimately support DXP’s interest? Is the amount reasonable and customary? Would this embarrass you or the Company if it was on the front page of the newspaper?

Make sure you:

- Only provide and accept gifts and entertainment that are reasonable complements to business relationships.
- Never accept gifts of any kind from a business partner with whom you are involved in contract negotiations.
- Exchange gifts and entertainment that foster goodwill in business relationships, but never provide or accept gifts, and entertainment that obligate or appear to obligate the recipient.
- Do not request or solicit personal gifts, favors, entertainment, or services.
- Accepting gifts of cash or cash equivalents is never allowed.
- Understand and comply with the policies of the recipient’s organization before offering or providing gifts, favors or entertainment.
- Be careful when using agents who represent us or third parties who introduce business partners to us. Monitor them during the duration of any agreement to ensure they live up to our high standards.
- Raise a concern to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer whenever you learn of any sign or “red flag” that a colleague, third party or other agent of the Company may be engaged in any attempt to improperly influence a decision of a customer or government official.

Watch out for:

- Situations that could embarrass you or the Company, including entertainment at sexually oriented establishments.
- Business partners or customers who may have gift and entertainment standards that are stricter than ours.
- Business partners that appear to be privately held but are actually considered government entities.
- Gifts, favors or entertainment that may be reasonable for a privately owned customer but not for a government official or agency.
- Third parties or agents who are thought to be valuable primarily for their personal ties rather than for the services they are to perform or who request compensation out of proportion to their services.

To learn more

- Discuss any questions, concerns about gifts and entertainment with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Q: When I was traveling, I received a gift from a business partner that I believe was excessive. What should I do?

A: You need to report it to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer as soon as possible. We may need to return the gift with a letter explaining our policy. If a gift is perishable or impractical to return, another option may be to distribute it to employees or donate it to charity, with a letter of explanation to the donor.

Q: During distributor contract negotiations with a potential new supplier, the new supplier mentioned that they had a complimentary registration to a local business seminar. They are unable to attend and asked if I would like to go in their place. I had been thinking of attending the seminar anyhow, since the subject of the seminar applies to my work. There is no personal gain to me, it would be good for DXP, and it would be a shame to waste the registration, I planned on saying 'yes.' Now I wonder if that would be the right decision.

A: You should decline the offer. If you are involved in distributor contract negotiations with a new supplier, you must never accept any gifts while the negotiation process is on-going. Accepting gifts during negotiations can give the appearance of a 'quid pro quo' and is always inappropriate.

Gifts and Entertainment of Government Representatives

The Company is committed to meeting the many special legal, regulatory and contractual requirements that apply to government-related work around the world. These requirements may apply to bidding, accounting, invoicing, subcontracting, employment practices, contract performance, gifts and entertainment, and other matters. Please see the Anti-Corruption section of this Code.

In addition, DXP may be legally obligated to impose these requirements on any agents or subcontractors we bring in to help in the work. You must always make sure you know whether you are dealing with a government-related entity. This is not always obvious. Businesses such as airlines, oil companies and telecommunications providers may be owned or controlled by a government, in whole or in part, and subject to special rules. When in doubt, discuss the situation with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Working with Our Customers and Business Partners

Honest and Ethical Dealings

We treat our customers and business partners fairly. We work to understand and meet their needs, while always remaining true to our own ethical standards. We tell the truth about our services and capabilities and we do not make promises we cannot keep.

In short, we treat our customers and business partners as we would like to be treated.

Marketing and Advertising Standards

Marketing of DXP must be truthful and accurate. Our advertising and promotions must always be tasteful and not offensive to DXP, consumers, and the general public and always use due diligence when choosing distributors and business partner to ensure they meet our standards.

Make sure you:

- Treat each customer fairly and honestly.
- Speak up and talk to your supervisor or the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer if you have concerns about any error, omission, undue delay, or defect in quality or our customer service.
- Promptly raise with a manager any potential conflict of interest between you, customers or the Company.
- Never follow a customer's request to do something that you regard as unethical or unlawful.
- Be responsive to customer requests and questions.
- Promise what you can deliver and deliver on what you promise.

Watch out for:

- Pressures from colleagues or managers to cut corners on quality or delivery standards.
- Temptations to tell customers what you think they want to hear rather than the truth; if a situation is unclear begin by presenting a fair and accurate picture as a basis for decision.

To learn more

- Discuss any questions or concerns about our products or customer service with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Protecting the Confidential Information of Others

The Company occasionally exchanges or receives trade secrets or other confidential information from other companies. These exchanges are conducted through confidentiality agreements signed by the Company. Prior to entering into any such agreement on behalf of the Company you should consult the Vice President of Human Resources.

To learn more

- Discuss any questions or concerns with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Supplier Relations

Our suppliers and business partners make significant contributions to our success. To create an environment where our suppliers have an incentive to continue to work with DXP, they must be confident that they will be treated lawfully and in an ethical manner.

Our policy is to purchase supplies and select suppliers based on need, quality, service, price, terms and other relevant conditions.

The Company may develop standard agreements for use in most contracting situations. These contracts should not be modified without appropriate Company approval. Customized contracts, when required, should be reviewed and approved by the Vice President of Human Resources. Contracts with third party suppliers should be reviewed by the Vice President of Human Resources before execution.

We believe in doing business with suppliers and business partners who share our commitment to high standards of ethical business behavior. If you are in a leadership position at DXP and work with our suppliers and business partners, you should communicate to our suppliers our standards for high performance in ethics and compliance.

Supplier Diversity

We recognize the importance and benefits of a diverse supplier base.

Make sure you:

- Make supplier-related decisions in the best interest of DXP, not for any personal benefit or gain.
- Respect and reasonably protect the confidential and proprietary information of suppliers.

Watch out for:

- Signs that our business partners are violating applicable law or regulations. Insist on honest accounting of time and materials and acceptance of deliverables on time that meet our standards.
- Any situation that may appear to involve a conflict and remove yourself from making or influencing a purchasing decision.

To learn more

- Discuss any questions, concerns about supplier relations with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Competitive Intelligence

Information about competitors is a valuable asset in today's competitive business environment. When collecting business intelligence, DXP employees, and others who are working on our behalf, should live up to sound and ethical commercial practices.

We must never engage in fraud, misrepresentation or deception to obtain information. While DXP employs former employees of competitors, we recognize and respect any valid legal obligations of those employees not to use or disclose the confidential information of their former employers.

Make sure you:

- Obtain competitive information only through legal and ethical means, never through misrepresentation.
- Do not contact a competitor to obtain their confidential information.
- Make sure that third parties acting on our behalf live up to our standards.

Watch out for:

- Retaining papers or computer records from prior employers in violation of laws or contracts.
- Improper use of confidential information of competitors.
- Improper use of job interviews as a way of collecting confidential information about competitors.
- Asking new employees to discuss confidential information from their previous employer.

To learn more

- Discuss any questions, concerns about collecting business intelligence with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Q: I am a manager and one of my team members who recently joined DXP from a competitor has with her a customer list and price list of the competitor. She says she plans to use it to our advantage. Should I just ignore this and let her do it?

A: No. If an employee retains competitor information it can result in legal action by the competitor. You must report this to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer for appropriate action.

Government Contracting

DXP conducts business with governments and government-owned entities. Our policy is to comply fully with all applicable laws and regulations that apply to government contracting and transactions.

Leaders who oversee work with governments and government-owned entities must remain up-to-date on relevant regulations and should contact the Human Resources Department with any questions. Special care should be taken to ensure that any third party who, while acting on behalf of DXP provides goods or services on government projects, is aware of and abides by our standards and their contractual obligations.

Government contracting regulations can be complex, but despite this complexity, there are a number of principles that are fundamental and apply to all employees when bidding, pricing, negotiating, and performing government contracts, including when acting as a subcontractor or when making sales to other government contractors:

- Never make or cause to be made to the government a false or fraudulent statement or a false claim for payment, whether orally or in writing. This includes bids, proposals, and requests for payment. The pricing and other terms established for a particular government contract should be followed for that contract.
- Never provide anything of value to a government employee, even meals or other incidentals. Government employees are subject to strict rules which basically require them to pay for their own expenses with limited exceptions.
- Always use legitimate methods to obtain a contract. Never seek or receive information that the Company is not authorized to possess, including, but not limited to, confidential or proprietary data, pricing information of other competitors for government contracts, and non-public government documents relating to bidding or source selection.
- Always comply with federal and state conflict of interest restrictions which make it illegal for former government officials or employees to represent, aid, or advise the Company on governmental matters in which the former official or employee had some governmental responsibility or involvement. No former government official may be hired or retained by the Company in any capacity without the prior review and approval of the Vice President of Human Resources.

Protecting Our Information and Assets

Protecting DXP Assets

We are entrusted with Company assets and are personally responsible for protecting them and using them with care. Company assets include the Company's trade secrets and confidential or proprietary information, Company manuals, samples, forms, plans, customer lists, information and files, databases, software and all other data, documents, writings, copies and information in any format used or relied upon in your employment.

Make sure you:

- Only use DXP assets for legitimate business purposes.
- Personal use of Company assets is discouraged, should be kept to a minimum and have no adverse effect on productivity and the work environment.
- Do not use DXP equipment or information systems to create, store or send content that others might find offensive.
- Do not share passwords or allow other people, including friends and family, to use DXP resources.
- Avoid any use of Company assets that might cause loss to the Company or damage to the assets.
- Respect the copyrights, trademarks and license agreements of others when dealing with printed or electronic materials, software or other media content.
- If you suspect any fraud or theft of Company assets, immediately tell the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.
- Only use software that has been properly licensed. The copying or use of unlicensed or "pirated" software on Company computers or other equipment to conduct Company business is strictly prohibited. If you have any questions about whether or not a particular use of software is licensed, contact the Chief Information Officer.

Watch out for:

- Company property that is not secured when not in use.
- Requests to borrow or use DXP equipment without approval.
- Unknown individuals without proper credentials in our facilities.
- Excessive use of DXP resources for personal purposes.
- Lax enforcement of electronic access control cards.
- Sharing passwords.

To learn more

- Discuss any questions, concerns about protecting DXP assets with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Doing Your Part to Prevent Fraud and Theft

Be on the look-out for the following red-flags that may indicate inappropriate use of our resources and possibly fraud or theft:

- Company property that is not secured when not in use.
- Allowing others to borrow or use equipment without approval.
- Unknown individuals without proper credentials in our facilities.
- Excessive use of Company resources for personal purposes.
- Lax enforcement of electronic access control cards.

Confidential Information

One of our most valuable assets is information. Each of us must be vigilant and protect DXP's proprietary and confidential information. This means keeping it secure, limiting access to those who have a need to know in order to do their job, and avoiding discussion of proprietary and confidential information in public areas.

The obligation to preserve DXP's confidential information continues even after employment ends.

Make sure you:

- Use and disclose confidential information only for legitimate business purposes.
- Properly label confidential information to indicate how it should be handled, distributed and destroyed.
- Protect intellectual property and confidential information by sharing it only with authorized parties.
- Only store or communicate Company information using DXP's information systems.

Watch out for:

- Never discuss confidential information when others might be able to overhear what is being said – for example on planes, elevators and when using mobile phones.
- Be careful not to send confidential information to unattended fax machines or printers.

To learn more

- Discuss any questions, concerns about confidential information with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Intellectual Property

DXP's intellectual property (IP) is an important asset that must be protected. Some examples of our IP are:

- Business and marketing plans
- Company initiatives (existing, planned, proposed or developing)
- Customer lists
- Trade secrets and discoveries

- Methods, know-how and techniques
- Innovations and designs
- Systems, software and technology
- Patents, trademarks and copyrights.

Promptly disclose to the executive officers of the Company any inventions or other IP that you create while you are employed by DXP.

Properly label confidential information including IP to indicate how it should be handled, distributed and destroyed.

Protect IP by sharing it only with authorized parties.

Creating and Managing our Business Records

Business partners, government officials and the public need to be able to rely on the accuracy and completeness of our disclosures and business records. Accurate information is also essential within the Company so that we can make good decisions.

Our books and records must be in compliance with accepted accounting rules and controls. Employees with a role in financial or operational recording or reporting have a special responsibility in this area, but all of us contribute to the process of recording business results and maintaining records. Each of us is responsible for helping to ensure the information we record is maintained in a manner that is consistent with our system of internal controls. Under no circumstances shall improper, intentionally inaccurate or false entries be made in any of the Company's financial records.

If you suspect any irregularity relating to the integrity of our records, you need to report it immediately to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Document Retention and Legal Holds

Each of us is responsible for information and records under our control. We must be familiar with the recordkeeping procedures that apply to our jobs and we are accountable for the accuracy and truthfulness of the records we produce. It is also our responsibility to keep our records organized so that they can be located and retrieved when needed.

Documents should only be destroyed in accordance with a records retention policy, and never in response to or in anticipation of an investigation or audit. Contact the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer if there is any doubt about the appropriateness of record destruction.

Make sure you:

- Create accounting and business records that accurately reflect the truth of the underlying event or transaction.
- Record transactions as prescribed by our system of internal controls.
- Write carefully and clearly in all your business communications, including emails. Write with the understanding that someday they may become public documents.
- Sign only documents – including contracts – you have reviewed, are authorized to sign, and believe are accurate and truthful.
- Retain, protect and dispose of records according to applicable policies. Records subject to legal hold notices, document preservation requests or regulatory requirements may be subject to additional protections.
- If your job involves financial or operational recording or reporting, you need to know DXP policies that apply.
- If you are uncertain about the validity of an entry or process consult with the Chief Financial Officer.

Watch out for:

- False claims on an expense report or time sheet.
- Do not record false sales or record them early, understate or overstate known liabilities and assets, or defer recording items that should be expensed.
- Financial entries that are not clear and complete or that hide or disguise the true nature of any transaction.
- Undisclosed or unrecorded funds, assets or liabilities.
- Interference with the auditing of DXP's financial records.

To learn more

- Discuss any questions, concerns about our records management and disclosure processes or legal holds with the Vice President of Human Resources, Director of Human Resources, or Chief Financial Officer.

Q: At the end of the last quarter reporting period, my supervisor asked me to record additional expenses even though the work has not yet started. I agreed to do it, mostly because I did not think it really made a difference since we were all sure that the work would be completed in the next quarter. Now I wonder if I did the right thing.

A: No you did not. Costs must be recorded in the period in which they are incurred. The work was not started and the costs were not incurred by the date you recorded the transaction. It was therefore a misrepresentation and, depending on the circumstances, could amount to fraud.

Communicating With the Public

DXP needs a consistent voice when making disclosures or providing information. It is important that only authorized persons speak on behalf of the Company. We must maintain the highest standards of conduct, objectivity and transparency. We are committed to honest, professional and legal communications to colleagues, business partners, and the public.

Make sure you:

- Never speak publicly on issues involving the Company without prior authorization from the executive officers of the Company.
- Inquiries about our activities, sales or financial results, or strategic plan must be referred to the executive officers of the Company.
- Always get prior approval from the Chief Financial Officer before making public speeches, writing articles for professional journals or other public communication when you are identified with the Company.
- Never give the impression that you are speaking on behalf of the Company in any personal communication, including user forums, blogs, chat rooms and bulletin boards.

Watch out for:

- Any suggestion you speak for the Company in your personal communications, including in emails, blogs, message boards and social networking sites.
- Invitations to speak “off the record” to reporters or others who ask you for information about the Company.

To learn more

- Discuss any questions, concerns about communicating with the public with DXP’s Chief Financial Officer.

Using Social Media

Be careful when writing communications that might be published online. If you participate in online forums, blogs, newsgroups, chat rooms, or bulletin boards, never give the impression that you are speaking on behalf of DXP and before you hit the ‘send’ button think carefully.

Do not send e-mails or post confidential information or material that could be perceived as damaging to the Company’s reputation.

Following the Letter and Spirit of the Law

Corporate Social Responsibility

DXP and its employees contribute actively to the communities where we do business. While each of us is encouraged to become involved in the life of our community by supporting causes and events, it is important to remember that we should not pressure others to contribute to or participate in our preferred charitable organizations.

Make sure you:

- Ensure that your personal support of charitable causes is not viewed as those of the Company.
- Follow the Company's policies and procedures for making and soliciting charitable contributions.

Watch out for:

- Requests from business partners to give to charitable causes. These requests must be approved as part of the Company process, like all other charitable contributions. If a business partner asks you to contribute from your own funds, consult the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer to make sure doing so will not give the appearance of a conflict.

To learn more

- Discuss any questions, concerns about charitable contributions and our work in the community with the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Environmental Stewardship

Environmental responsibility is an integral part of our business mission. DXP has made a corporate commitment to environmental protection. As DXP employees and concerned citizens, each of us has a responsibility to do what we can to protect the environment.

Q: I have been asked by a local non-profit organization whether DXP can donate a copy machine for their office. The organization does good work in the community and may even benefit associates and their families who live nearby. Can the Company make such donations?

A: Before any donations can be made, it must be clear that this will not in any way influence someone to provide DXP with an improper advantage. Then, the question is whether such donations are in line with the Company's general practice on charitable contributions. For this reason, you must obtain approval from the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer.

Political Activities

You have the right to voluntarily participate in the political process including making personal political contributions. However, you must always make it clear that your personal views and actions are not those of the Company.

In addition, you must never use DXP funds, assets or resources to support any political candidate or party unless specifically permitted by law and authorized by the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Make sure you:

- Receive all necessary approvals before using any Company resources to support political activities.
- Ensure that your personal political views and activities are not viewed as those of the Company.
- Do not use DXP resources or facilities to support your personal political activities.

Watch out for:

- **LOBBYING** - Interactions with government officials or regulators that could be seen as lobbying must be discussed in advance and coordinated with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.
- **PRESSURE** – Never apply direct or indirect pressure on another employee, customer or business partner to contribute to, support, or oppose any political candidate or party.
- **IMPROPER INFLUENCE** – Avoid even the appearance that you are making political or charitable contributions in order to gain favor or in an attempt to exert improper influence.
- **CONFLICTS OF INTEREST** - Holding or campaigning for political office must not create, or appear to create, a conflict of interest with your duties.

To learn more

- Discuss any questions, concerns about political contributions or political activities, with the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources.

Q: *I will be attending a fundraiser for a candidate for local office. Is it OK to list my position at DXP as long as I do not use any Company funds or resources?*

A: *No. You may not associate DXP in any way with your personal political activities.*

Q: *I would like to invite an elected official to speak at an upcoming Company event. Would that be a problem?*

A: *You must get approval from the Chief Financial Officer, Vice President of Human Resources, or Director of Human Resources before inviting an elected official or other governmental officer to attend a Company event. If the invitee is in the midst of a reelection campaign, the Company event could be viewed as support for the campaign. Any food, drink, or transportation provided to the invitee could be considered a gift. In either case, there would be limits and reporting obligations.*

Transactions in DXP Securities and Pledging

DXP directors and executive officers are prohibited from engaging in speculative transactions in DXP securities, such as trading in puts and calls, or selling securities short and in the pledging of any DXP securities. DXP has adopted a pledging limitation policy for our directors and executive officers restricting directors and executive officers from pledging shares of the Company and holding shares of the Company in margin accounts. Directors and executive officers of the Company may pledge shares or hold shares in margin accounts so long as all of the following policy requirements are met: (i) prior to pledging shares or holding shares in a margin account such director or executive officer shall obtain approval from the Chief Financial Officer, and (ii) in no event shall the total number of shares collectively pledged or held in a margin account by our directors and executive officers exceed 10% of the Company's total outstanding common stock.

Insider Trading

Confidential information may not be used for personal benefit. Each of us is prohibited from trading securities or passing information on to others who then trade ('tipping') on the basis of material information before it is made publicly available to ordinary investors.

Material information is the kind of information a reasonable investor would take into consideration when deciding whether to buy or sell a security. Some examples of information about a company that might be material are:

- A proposed acquisition or sale
- A significant expansion or cutback of operations
- A significant product development or material information about a product
- Extraordinary management or business developments

All employees may not buy or sell DXP stock from the end of a calendar quarter until the third day after the release of earnings. If you have any questions concerning your obligation in this regard, you should consult with the Chief Financial Officer.

Directors and executive officers are subject to additional requirements with respect to Company securities and should contact the Chief Financial Officer if they have any questions.

Make sure you:

- Do not communicate material nonpublic information to other people.

Watch out for:

- Requests by friends or family for information about companies that we do business with or have confidential information about. Even casual conversations could be viewed as illegal “tipping” of inside information.
- TIPPING - You need to be very careful when you have this type of information to make sure you do not share it with anyone, either on purpose or by accident, unless it is essential for DXP-related business. Giving this information to anyone else who might make an investment decision based on your inside information is considered “tipping” and is against the law regardless of whether you benefit from the outcome of their trading.

To learn more

- Discuss any questions, concerns about insider trading with the Chief Financial Officer.

Q: I am not sure what kind of information is covered by the term ‘material information.’ What does it include?

A: ‘Material information’ includes any information that a reasonable investor would consider important when deciding whether to buy, sell or hold a security. This can include news about acquisitions, financial results, important management changes, as well as news about the financial performance of a company. If you are in doubt about whether certain information is material or has been released to the public, do not trade until you have consulted with the Chief Financial Officer.

Anti-Trust and Fair Competition

We believe in free and open competition and never engage in illegal practices that may limit competition and we never look to gain competitive advantages through illegal business practices, but rather through superior performance.

We do not enter into agreements with competitors to engage in any restrictive practices that are likely on balance to reduce or eliminate competition.

Make sure you:

Anti-trust laws are complex and compliance requirements can vary depending on the circumstance, but in general, the following activities are legal red flags and should be avoided and reported to the Vice President of Human Resources, Director of Human Resources, or the Chief Financial Officer:

- COLLUSION — when companies secretly communicate or agree on how they will compete. This could include agreements or exchanges of information on pricing, terms, wages, or allocations of markets.

- **BID-RIGGING** — when competitors or service providers manipulate bidding so that fair competition is limited. This may include comparing bids, agreeing to refrain from bidding or knowingly submitting noncompetitive bids.
- **TYING** — when a company with market power forces customers to take products or services that they do not want or need.
- **PREDATORY PRICING** — when a company with market power sells a product or service below cost so as to eliminate or harm a competitor, intending to recover the loss of revenue later by raising prices after the competitor has been eliminated or harmed.
- Never share the Company’s confidential or competitively sensitive information with a competitor of the Company.
- Never take advantage of anyone through manipulation, abuse of privileged information, misrepresentation of facts, or any other intentionally unethical or illegal action.

To learn more

- Discuss any questions, concerns about anti-trust and anti-competitive business practices with the Chief Financial Officer.

Q: I received sensitive pricing information from one of our competitors. What should I do?

A: You should contact the Chief Financial Officer without delay and before any further action is taken. It is important that from the moment we receive such information we demonstrate respect for antitrust laws and we make clear that we expect others to do the same. This requires appropriate action that can only be decided on a case-to-case basis and may include sending a letter to the competitor.

Anti-Corruption

It is the policy of the Company to conduct its worldwide operations ethically and in compliance with U.S. and applicable foreign laws. The DXP Anti-Corruption Compliance Policy and Procedures (the “Anti-Corruption Policy”) are aimed at ensuring that result. The Anti-Corruption Policy applies to all Company officers, directors, employees, agents, employees of any affiliate, subsidiary, or other entity controlled by the Company, temporary agency personnel, non-employee agents acting on the Company’s behalf, and contract-basis personnel, wherever located (collectively “Company Personnel”).

All Company Personnel are expected to comply with all U.S. and other applicable laws in all countries in which the Company does business, as well as maintain the highest ethical standards of business conduct. Specific to the Anti-Corruption Policy, the Company will not authorize, involve itself in, or tolerate any business practice that does not comply with the Anti-Corruption Policy.

The Anti-Corruption Policy is included on the Company’s website and must be read by each Company Personnel and written certification that the Anti-Corruption Policy has been read must be provided to the Company.

Compliance with Healthcare Laws and Regulations

Certain employees of DXP have additional obligations and responsibilities under various healthcare regulations. Healthcare laws and regulations change, and situations involving healthcare compliance can be complicated. While our commitment and our responsibilities to those we serve are clear, sometimes it is difficult to know what to do in certain situations. Applicable regulations are summarized below but such employees should also take additional steps to ensure that they are informed and complying with all relevant obligations.

Protecting Patient's Privacy

Patient information is protected by privacy laws in various jurisdictions where we operate, and must be kept confidential. Original copies of medical records should never leave our facilities unless authorized by the Vice President of Human Resources.

Properly label all confidential patient information to indicate how it should be handled, distributed and destroyed. Never discuss confidential patient information when others might be able to overhear what is being said – for example on planes, elevators and when using mobile phones.

Interactions with Healthcare Professionals

The term 'Healthcare professionals' includes those who may prescribe, administer, recommend, purchase, reimburse, authorize, approve or supply medicines or therapies. We must take special care to avoid even the appearance of unduly influencing their decisions.

In interacting with healthcare professionals DXP employees must act with honesty, fairness and integrity, and follow applicable laws and industry guidelines created to avoid potential conflicts of interest. We must never offer anything of value to a healthcare professional to influence their medical judgment or purchasing practices in favor of our services.

Kickbacks and Inducements

Anti-kickback laws prohibit giving, getting, offering or asking for anything of value in return for referrals. These regulations typically contain rules about business transactions, gifts, conflicts of interest, record keeping and documentation. In light of these requirements, you should examine all relationships and arrangements with referral sources, physicians, vendors and suppliers to be certain there are no kickbacks or illegal inducements for the referral of patients.

You should never accept gifts, favors, services, entertainment, money or other items of value that are intended to influence your decision-making judgment or actions. You must never offer anything of value, aside from nominal and occasional promotional items, to influence a vendor's or supplier's decisions or pricing. Any questions should immediately be referred to the Vice President of Human Resources.

Global Trade

We honor the trade and import and export control laws of all countries in which we operate. We expect all of our business partners to do the same.

At times, export control laws in certain regions may conflict. To avoid problems, consult the Vice President of Human Resources as early as possible about local laws on exporting products, services and technology.

Many countries prohibit dealing with specifically identified countries or persons acting on their behalf, as well as transactions involving certain named narcotics traffickers and terrorists. Consult the Vice President of Human Resources if you have any questions or concerns.

Boycotts

A boycott is an organized effort to coerce its target to take a specific action. Boycotts are enforced by refusing to buy, sell or use the target's products and/or services. As a U.S. Company, we are subject to the anti-boycott provisions of U.S. law that require U.S. firms to refuse to participate in foreign boycotts that the United States does not sanction.

DXP and its employees will not participate in and are required to promptly report to the U.S. Government any request to join in, support, or furnish information concerning a non-U.S. boycott.

Make sure you:

- Know your customer and the ultimate destination and end use of our products.
- Obtain all necessary licenses before the export or re-export of products, services, or technology.
- Report complete, accurate, and detailed information regarding every imported product, its places of manufacture and its full cost.

Watch out for:

- Transferring technical data and technology to someone in another country, such as through the Internet, e-mail, conversations, meetings, and database access. This restriction applies to sharing information with other Company associates, as well as non-associates.
- Transporting Company assets that contain certain technology, such as a computer an associate takes on a business trip to another country.

To learn more

- Discuss any questions, concerns about international business with the Vice President of Human Resources.

Q: *My work at DXP requires regular interaction with U.S. Customs officials. As part of my job, I am routinely asked to provide the U.S. Customs Service with information about our imports and exports. Do I really need to contact the Vice President of Human Resources prior to each and every submission of information to the government?*

A: *The right approach here would be to discuss with the Vice President of Human Resources the types of requests you routinely receive from U.S. Customs. These routine requests, once understood by the Vice President of Human Resources, could be handled without any legal review. Extraordinary requests would still require the Vice President of Human Resources review to ensure that you are responding accurately, fully and in accordance with the law.*