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CORPORATE CULTURE, SHARED VALUES, AND CODE OF CONDUCT

WESTERN PUMP, INC.
petroleum & lubrication equipment specialists

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Introduction

Culture encompasses shared beliefs, customs, language, skills, and expectations. It refers to the way individuals within an organization view each other and the outside world. Every organization, be it a nation, a family, a political body, or a corporation, develops its own culture over time.

Culture is a continually evolving entity. As the organization changes in size, shape, purpose, and composition of personalities, the culture will change. Evolution is a slow process, however, and successful membership in Western Pump, as in any organization, is easier achieved by learning to work within the existing culture.

Our employees represent a wide range of experience and educational and ethnic backgrounds. We know that a diverse employee base is a powerful resource. That's what makes us unique. That's why Western Pump is a great and exciting place to work.

The reputation of Western Pump and its business culture have been built by more than 15 years of honest and ethical business conduct. Our reputation has more than symbolic value. It has provided Western Pump with a business advantage.

We recognize that the high quality of Western Pump employees is the company's greatest strength. The resourcefulness, professionalism, and dedication of our employees will ensure that Western Pump continues to be well positioned for ongoing success.

This document, "Corporate Culture, Shared Values, and Code of Conduct," is a guide to help employees live up to WPI's high ethical standards – and their own, in order to form a work environment that blends professional excellence with personal fulfillment. It summarizes many of the policies that Western Pump employees are required to live by. This booklet explains how we would like to see these concepts actualized within Western Pump's day-to-day business. We hope that this document will assist employees to work together to form a work environment that blends professional excellence with personal fulfillment.

WPI Guiding Principles

At Western Pump, we are committed to being Southern California's premier fueling and lubrication systems firm specializing in the construction, wholesale distribution, servicing, and compliance testing of retail service stations, fleet and commercial and government fueling facilities, convenience stores, and vehicle maintenance facilities. To that end, we must continuously achieve superior financial and superior operating results while adhering to the highest standards of business conduct.

Western Pump's reputation for ethical business practices has been vitally important to us since the days of our founding. We focus on two key areas:

Customers: Our success in achieving growth and market share objectives depends on our ability to consistently delight ever-changing customer preferences. We pledge to be innovative and responsive while offering only the highest quality of products and services.

Employees: The exceptional quality of our workforce is a valuable competitive edge. We will strive to hire and retain the most qualified people available and maximize their opportunities for success through training and development. We are committed to maintaining a safe work environment enriched by diversity and characterized by open communication, trust, and fairness.

We must be at the leading edge of competition in every aspect of our business to be successful. While we maintain flexibility to adapt to changing conditions, the nature of our business requires a

focused, long-term approach. We will consistently strive to improve efficiency and productivity through learning, sharing, and implementing best practices.

We will achieve our goals by flawlessly executing our strategic business plans and by strictly adhering to these guiding principles along with our more comprehensive Standards of Business Conduct.

WPI Core Values

Our employees play a vital role in accomplishing the company's goals through our daily activities. Western Pump's core values are the foundation by which our employees conduct themselves. Every employee at Western Pump, regardless of the level, is expected to adhere to and respect our core values: *Integrity, Excellence, People, Accountability, and Respect*. These **Core Values** are the foundation by which we build the fairness and integrity that will allow our business to continue to succeed. The ability of every Western Pump employee to live by these core values on a daily basis is crucial to Western Pump's reputation and future success.

➤ **Integrity**

We comply with company policies, rules, and regulations. We protect company assets. We comply with all regulatory requirements. We are honest, forthright and trustworthy in our dealings with employees, customers, regulators, suppliers, teammates, competitors, and the community. *We do what is right. Always.*

➤ **Excellence**

We continually challenge each other to improve our products, our processes, our services, and ourselves. We strive always to understand our customer's needs and to assist them in achieving their goals. We stress quality, regulatory compliance, growth, best practices, and measurement. We are dedicated to diversity, fair treatment, mutual respect, trust, and achieving success.

➤ **People**

We promote an environment that encourages innovation, creativity, collaboration, and successful results through teamwork. We value teams because they promote trust, openness, challenge, opportunity, and growth. We encourage, recognize and reward employees for being creative, resourceful, and productive. We practice leadership that teaches, inspires, and promotes full participation and career development. We encourage open and effective communication and interaction. We are committed to putting the best people in the right places within the organization, and giving them the right training, tools and resources to succeed.

➤ **Accountability**

We honor the commitments we make, and take personal responsibility for achieving results. We foster an operating discipline of continuous improvement that is an essential part of our culture. We continually and relentlessly seek to improve our company and ourselves.

➤ **Respect**

We treat others as we want to be treated – always attentive to personal dignity and receptive to diversity of ideas. We recognize the value that comes from individuality and personal experience.

These core values support and guide our leadership in establishing the strategic business direction of our company. We expect our employees, clients, and suppliers to conduct their business in accordance with these ethical principles.

As Western Pump employees, we are expected to review these values periodically and apply their principles to our day-to-day business. This document sets forth policy statements that deal with standards of business conduct.

Safety and Health

Employee and client safety on the job site is of paramount importance to Western Pump. Western Pump is committed to ensuring a safe working environment for all employees and anyone who may be on or near our job sites. We take responsibility for maintaining a safe workplace by following safety and health rules and practices. We remain constantly cognizant that the type of work we do (construction, testing, and servicing of petroleum equipment and systems which require that we work in or near flammable or combustible atmospheres) is inherently hazardous and requires stringent adherence to all PEI Safety and Health Guidelines and Safe Practices.

It is Western Pump's policy to:

- Identify and evaluate health risks related to its operations that could potentially affect its employees, contractors or the public;
- Implement programs and appropriate protective measures including employee training to control such risks, including appropriate monitoring of its potentially affected employees;
- Determine at the time of employment and thereafter, as appropriate, the medical fitness of employees to do their work without undue risk to themselves or other;
- Comply with all applicable laws and regulations; and
- Maintain a regular safety training schedule for our employees that include:
 - OSHA Safety Training (40 hour and 8 hour refresher)
 - Lock Out/Tag Out Procedures
 - Confined Space Entry Procedures
 - Tail gate safety meetings
 - OSHA Excavation and Trenching Rules
 - Site Safety
 - Vehicle Safety
 - PEI Safe Practices
 - PEI "Do's and Don'ts"

Equal Employment Opportunity

It is Western Pump's policy to provide equal employment opportunity in conformance with all applicable laws and regulations to individuals who are qualified to perform job requirements regardless of race, color, sex, religion, national origin, citizenship status, age, physical or mental disability, veteran or other legally protected status. Western Pump administers its personnel policies, programs, and practices in a nondiscriminatory manner in all aspects of the employment relationship, including recruitment, hiring, work assignment, promotion, transfer, wage and salary administration, and selection for training.

Managers and supervisors are responsible for the implementation and administration of this policy, for maintaining a work environment free from unlawful discrimination, and for promptly identifying and resolving any problem area regarding equal employment opportunity. Western Pump will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Conflict of Interest

It is Western Pump's policy that employees avoid any conflict between their own personal interests and the interests of the company in dealing with customers, suppliers, competitors, and other third parties, and in the conduct of their personal affairs. Employees should act in the best interest of Western Pump to the exclusion of personal advantage. Each employee should make prompt and full disclosure in writing to management of any situation that may involve a conflict of interest.

It is a conflict of interest for an employee, during or subsequent to employment, and without proper authority, to give or make available to anyone, or use for his/her own benefit, information of a confidential nature derived from his/her employment at Western Pump. It is also a conflict of interest for an employee to "work on the side" for any customer or potential customer utilizing any of Western Pump's assets including but not limited to vehicles, fuel, tools, testing equipment, or proprietary information. Revealing customer lists, sales data, financial information, market share data, and employee lists, as an example, would be considered a conflict of interest.

Harassment in the Workplace

It is Western Pump's policy to prohibit any form of harassment in the workplace. The policy prohibits unlawful harassment based on race, color, sex, religion, national origin, citizenship status, age, physical or mental disability, veteran or other protected status, as well as any other form of harassment. The main goal of this policy is to provide a work environment that fosters mutual employee respect and working relationships free of harassment. Western Pump specifically prohibits any kind of inappropriate conduct toward employees, suppliers, or customers.

The next four sections describe Western Pump's culture from various points of view.

- Section 1 explains what is expected of each employee, from our most junior staff member to the CEO.
- Section 2 explains Western Pump's management culture, what employees can expect from their managers and vice versa.
- Section 3 deals with the company as a whole, and the ways in which the various departments and individuals are expected to interact.
- Section 4 discusses Western Pump's business style, what is expected as employees interact with the outside world (i.e., customers, suppliers, etc.).

Section 1 *Employee Culture*

We recognize that the high quality of Western Pump employees is the company's greatest strength. The resourcefulness, professionalism, and dedication of our employees will ensure that Western Pump continues to be well positioned for ongoing growth and success. At WPI, our employees find their work challenging, the environment stimulating, and the results of their efforts rewarding.

The core of our business culture is the balance between our work and our personal lives: balance between the seriousness of our mission and the fun we promote in our workplace; and, balance between stimulating work assignments for today and exciting opportunities for tomorrow. The combination of all these unique characteristics makes Western Pump a great and exciting place to work.

Our expectations of our employees are outlined in the sections below.

1.1 *Workload*

All employees need to be aware that only successful companies can provide longer-term employment opportunities. This means that all employees need to make appropriate, lasting contributions to the company's success.

Employees are expected to be self-motivated, to regulate their own workload. If you find time on your hands, ask for more work. Better yet, look around and see what needs doing. Then go to your manager with a proposal or suggestion. This is the best way to implement changes you feel are needed and have a say in the kinds of work you do. Keep in mind, of course, that your manager may not always agree with your assessment.

Employees at Western Pump are expected to pitch in where and when they are needed. Maybe the janitor didn't show up that morning and you have an important presentation scheduled for 10 A.M. in the conference room. Well then, dig in and clean up. It doesn't matter who made the mess or why the janitor didn't show up or what your job title is. You are part of the Western Pump team and you do what needs to be done. This concept works for jobs "up the ladder" as well as more basic tasks. If you think that some critical piece of corporate infrastructure is missing at Western Pump, maybe that's something you could work on. Make a proposal to your manager.

There may be times when you will feel overwhelmed by your assignments. Again, sort through the tasks on your own. Which jobs do you feel are most important to the success of the company? Which jobs would you most like to do? Approach your manager with your assessment.

Then ask his or her help in prioritizing your assignments. You may not always get your first choice, but this gives you input into the process and gives your manager insight into your preferences and career vision, as well as your current workload.

1.2 *Problem Solving*

Personal responsibility is a key concept of Western Pump's employee culture. When a problem keeps you from completing an assigned task, then it's up to you to own the problem. Who you think is at fault for the problem is irrelevant. Fault and blame are a waste of time; they have no place in the Western Pump culture.

Personal strength lies in learning to solve your own problems. This credo builds creative, self-sufficient individuals. Taken to an extreme, it can also lead to a scattered, disassociated team. It is important that employees learn when to solve problems on their own, and when to ask for help.

1.3 Innovation and Creativity

Western Pump is a fueling and lubrication equipment company specializing in construction, service, compliance testing, and wholesale distribution. Change occurs frequently in our business, and our success depends on our ability to learn and implement new methods or procedures for the projects or problems we work on. Our market is very competitive, and all employees should strive to be constantly creative and innovative in order that our procedures and practices are efficient, and that our costs are the lowest possible.

We expect all employees to challenge the status quo. If you have a great idea for change at Western Pump, speak up. We expect employees to create innovative solutions and to share those ideas with the company. We also expect that all Western Pump employees will listen to the great ideas of others with an open mind.

1.4 Professional Integrity

People deserve to be treated with kindness, respect, and honesty. **Always**. Beyond the simple moral imperative, dealing fairly with others is good business. We have built Western Pump's business on win-win strategies. Western Pump employees do not lie, cheat, or steal, and we do not tolerate anyone who does – including suppliers and customers. Again, this is morally satisfying and also makes sound business sense. Both personal and business relationships founder without trust.

When customers come to us for help, our job is to solve their problems. There are times when a completely open and honest answer might damage the relationship with the customer or potential customer. We cannot lie to customers, but sometimes it is best to defer comments until you can discuss them with your supervisor to determine the best possible presentation.

Kindness, respect, and honesty are equally important. Every employee, from the most junior staff member to the CEO deserves to be treated well. **All the time**. And this is, again, good business. Kindness pays. Catch people doing things right and tell them what you see. Sincere appreciation is a powerful tool. Focusing on failure is discouraging to everyone and makes people fearful to try new things.

1.5 Advancement

As a Western Pump employee, you have unlimited opportunity to grow within the organization. You must work for it, however. If you want to move up, you have to prove that you have mastered your current responsibilities, and that you have the drive and capabilities required at the next level.

Ideally, we like to grow our own people into new roles and higher levels of responsibility. Promoting from within, however, is not always the best way to fill an open position. Hiring people from outside Western Pump broadens our employee base and provides an immediate boost in staff capabilities.

1.6 Dress Code and Work Trucks

Western Pump has established dress codes for certain positions. Service technicians must wear a clean Western Pump issued work shirt and long, clean pants. Blue jeans are acceptable. Also, construction personnel must wear a clean Western Pump issued work shirt and long pants. The Western Pump logo must always be visible so that we are clearly and easily identifiable while on a job site. Both construction and service personnel may be required to wear other safety gear such as hard hats or steel toed shoes. Your supervisor will keep you informed of these requirements. Sales Counter and Warehouse personnel are also required to wear a Western

Pump issued clean shirt. In the case of other positions, we trust our employees to maintain a professional appearance and to dress appropriately for every situation. If you work alone behind a computer terminal every day, then dress to make yourself and your workmates comfortable. If you visit clients, then dress to make yourself and your clients comfortable.

If you have been issued a work truck, and it is garaged at your residence, you are expected to always keep the vehicle clean, washed, and maintained. Since you are allowed to use the vehicle to get to and from work, washing/cleaning and oil changes and minor maintenance (such as tire changes) are expected to be done on your time, not during normal work hours. You must refer to the vehicle owner's manual and assure that required maintenance is completed on time. You should advise your supervisor whenever major maintenance is required that cannot be done on a weekend.

Section 2 Management Culture

As mentioned, our employees are our greatest resource, and we expect our managers to treat each one as such. Western Pump Managers are expected to encourage their employees to reach their highest potential. Managers are expected to use constructive criticism when necessary, but not forget to recognize good work and achievement, as well. Western Pump managers must also stay in tune with the views of their employees, and take these views into account in decision making.

2.1 Manager/Employee Relationship

Employees are expected to provide their managers with the information they need to effectively manage the projects and people that they are responsible for. One job of a Western Pump manager is gathering input from their team before making an informed decision. If an employee doesn't give his/her input, then the manager's decisions will be compromised to some extent.

Western Pump employees have a high degree of involvement in the decision making process. However, the final decision is made by the manager. And once the decision is made, employees are expected to fully support that decision. Agreement is not required, but whole-hearted compliance is.

Managers are expected to meet one-on-one with each employee on a regular basis. At these meetings, they will set short-term goals and discuss how well the employee accomplished his or her previous goals. Yearly reviews will focus on long-term progress. Reviews are an interactive process, where the manager and employee exchange information and opinions about their progress. Managers should provide clear feedback to their employees. Each employee must know, without a doubt, how well they are performing to expectations.

Managers are expected to work with each of their employees to plan a career path. Where is the employee headed and how can he/she get there? What training is required and how can Western Pump help facilitate that training? What skills must the employee demonstrate to advance to the next level? All this must be worked out jointly between the employee and his or her manager. If a desired career path is not realistically attainable for an employee, the manager must provide that feedback.

Western Pump managers and employees are encouraged to use positive feedback, wherever possible. People learn quicker if they are praised for tasks done well, rather than scolded for their failures. Scolding can also discourage employees from openly sharing their mistakes. Catch people working effectively and complement them. This is a very powerful tool.

If you see something that you feel needs to be corrected, by all means speak up. Be tactful, though. Present your comments in a way that does not demean the person you are speaking to. Make sure the person understands exactly what you want changed, and make sure that he or she

has the knowledge and/or resources to implement the change. Make criticism an effective learning tool – for everyone.

Section 3 Internal Corporate Culture

Teamwork and respect are the keywords of Western Pump's corporate culture. Humans are by nature competitive creatures. Western Pump employees are expected to leverage their competitive energies to go above and beyond in the performance of their responsibilities. At the same time, employees are expected to cooperate and work as a team when such is necessary to meet the corporate goals. When the company succeeds, so will the employees. It is therefore in the employees' own best interest to hold corporate goals above their own personal agenda.

Compensation packages are structured such that win-win strategies are rewarded. For example, sales associates are not pitted against each other like gladiators in ancient Rome, but work together as a team. If a person is sick or called to work an emergency, he/she should be able to count on the other members of the team to cover.

3.1 The Gauntlet

Salaried Western Pump employees are often hired through a process known as "The Gauntlet". The process can be as intimidating as it sounds. It is a rigorous interview process whereby each key Western Pump employee has the option of meeting and speaking with the job applicant. The interviews are followed by a "Gauntlet review" where all the interviewers give their opinions and make their recommendations. The final hiring decision is still made by the manager directly responsible for the open position, but The Gauntlet provides invaluable information in helping the manager judge the applicant's value to Western Pump and how well he or she will fit into the organization.

Additional benefits of The Gauntlet are:

- The applicant gains a broader view of Western Pump and the team with which he or she will be working.
- Western Pump employees have a voice in how the company is run and what type of people they want to work with.
- The Gauntlet process is long and arduous, taking a day or two to complete in some cases. It is a particularly effective test of an individual's courage, willingness to take risks, and ability to display grace under pressure. These traits are integral to an individual's success at Western Pump.

3.2 Conflict Resolution

As stated in the first section of this document, Western Pump employees are expected to solve problems that stand in the way of task completion. Sometimes this means escalating the issue up the Western Pump corporate hierarchy.

If you have a problem getting the cooperation of an employee to help solve a task, go to that employee's boss and ask for a conference. Make sure the two of you are very clear as to why you are not cooperating. Both of you should present the issues, the background, and potential solutions. If the employee's supervisor will not give you the cooperation of the employee, and you still want to press the issue, the three of you should go to your boss and see if minds can be changed. If not, go to the boss's boss.

This process should continue until you are satisfied with the resolution or you have taken the problem all the way to the CEO. Obviously, you do not want to go to the CEO on all issues that don't go your way, but it is your responsibility to escalate the issue to your satisfaction.

3.3 *Open Door Policy*

Employees at Western Pump are encouraged to discuss and resolve their concerns, problems, and ideas at all times with their immediate supervisor who is expected to be available, and indeed, seek opportunities for such discussions.

Following thorough discussions with the immediate supervisor, an employee may request further review of a particular situation or a decision reached, and should be encouraged to talk with the next level of supervision.

Further discussion may take place with or without the immediate supervisor present, at the employee's option. These discussions may continue up to the appropriate level of management necessary to resolve the situation. The process should involve every effort to restore normal communication between employees and their immediate supervisor. Be helpful, courteous, and respectful.

3.4 *Open Book Management*

Western Pump shares some financial information with its employees. This information is considered to be highly confidential. Salary information is also considered confidential. Employees should not request details about someone else's compensation package, and they should not discuss their salary or other agreements with co-workers. It is a violation of company policy to discuss salary or compensation with another employee, other than your boss or supervisor.

Section 4 *External Corporate Culture*

Founded on professionalism, integrity and teamwork, Western Pump is committed to consistently exceeding the requirements and expectations of its customers by empowering all team members to provide superior value through quality products and services, innovation, and continuous improvement.

Our Values declare that "We Do Not Lie, Cheat or Steal." Every contact we have with the outside world should prove that statement.

4.1 *Integrity First*

As stated in section 1.4 of this document, Western Pump employees must be honest and respectful in all dealings. Customers and vendors should associate our company name with professional integrity.

4.2 *Seamless Organization*

Western Pump should appear to be a seamless organization. People calling from the outside should feel welcome and valued, no matter who they speak with. If you are out of the office or otherwise busy, it is your responsibility to make sure others in the office can help your clients or answer your calls intelligently and helpfully.

People calling should never feel that they have reached the wrong person, or that they are calling at a bad time, or that their call is an imposition. Phone calls and e-mails should be responded to

in 24 hours or less. You don't necessarily have to deal with the issue in 24 hours, but the caller should quickly know when to expect a complete response.

Compliance

As a condition of employment, employees are expected to comply with the company's standards of Business Conduct and underlying Policies and Procedures. When in doubt, employees must seek clarification from their management.

Violations of the company's business conduct standards are grounds for disciplinary action up to and including discharge and legal prosecution.

All employees benefit from an atmosphere of ethical conduct. Employees who suspect misconduct, fraud, waste of company assets, or other violations of the company's business conduct standards are responsible for reporting such matters to their management.

Note from President

Please refer to this document frequently. It is a powerful statement about Western Pump and our shared values. It is powerful because of the positive environment that it creates within Western Pump. Powerful because it is good and right. Powerful because of the unified strength it gives us to effectively and successfully compete. Powerful because it assures our continued growth. Powerful because of the opportunities it creates for every employee who wants to grow personally and professionally. Cherish, protect, and cultivate these values as you move forward in your career. Your success is unlimited.

Dennis Rethmeier, President

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