



## ***Introduction***

The successful business operation and reputation of Norcraft is built upon the principles of fair dealing and ethical conduct of our employees. Each employee must conduct himself or herself accordingly and seek to avoid even the appearance of improper behavior. All of our employees are expected to act in a way that will merit the continued trust and confidence of our customers and the public at large. We expect every employee to promote and protect Norcraft's best interests and maintain professional and personal integrity at all times.

To facilitate such conduct and behavior, Norcraft has adopted this Code of Business Conduct and Ethics. Compliance with this Code is the responsibility of every Norcraft employee. Disregarding or failing to comply with this Code could lead to disciplinary action, up to and including possible termination of employment. If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines set forth in this Code, including those described in Sections 11 and 12.

### ***1. Conflicts of Interest***

You are expected to refrain from taking part in, or exerting influence in, any transaction in which your own interest may conflict with the best interests of Norcraft. A "conflict of interest" exists when an employee's private interest interferes in any way with the interests of Norcraft. A conflict situation can arise when an employee takes actions or has interests that may make it difficult to perform his or her work for Norcraft objectively and effectively. Conflicts of interest may also arise when an employee, or members of his or her family, receives improper personal benefits as a result of his or her position in Norcraft. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest.

Norcraft recognizes and respects your right to engage in activities outside of your employment, which are private in nature and do not in any way conflict with or reflect poorly on Norcraft. We reserve the right however, to determine when your activities represent a conflict with Norcraft's interests and to take whatever action is necessary to resolve the situation. We note that it is almost always a conflict of interest for a Norcraft employee to work (including as a consultant or member of the board of directors or equivalent governing body) simultaneously for a competitor, customer or supplier.

Conflicts of interest are prohibited as a matter of Norcraft policy, except under guidelines approved by Norcraft's Board of Managers. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with your supervisor or higher levels of management. Any employee who becomes aware of a conflict or potential conflict should bring it to the attention of his or her supervisor or higher management.

## ***2. Management Override of Company Policy or Internal Controls***

Norcraft follows established policies and procedures, including documented internal controls. It is against this Code to allow inappropriate management override of policy or internal controls. Norcraft acknowledges that from time to time extenuating circumstances may arise where a policy cannot be fully adhered to in a particular instance. In order to ensure that any decision to depart from Norcraft policy is not inconsistent with this Code, any supervisor who directs another employee to disregard a policy, or to depart from a procedure or internal control, will report the matter to the CEO or the CFO, together with a brief explanation as to why the supervisor took the view that the departure from policy was considered warranted in the circumstances. Any employee who is directed by a manager to depart from a policy or procedure and believes that the direction might constitute a violation of this Code should report the matter his supervisor or to higher management, as appropriate.

## ***3. Corporate Opportunities***

No employee may use corporate property, information, or position for improper personal gain. Employees are prohibited from taking personally for themselves opportunities that are discovered through the use of corporate property, information or position without the consent of the Board of Managers. Employees owe a duty to Norcraft to advance its legitimate interests when the opportunity to do so arises, and as a result, any such opportunities should be reported to your supervisor or higher management.

## ***4. Protection and Proper Use of Norcraft Assets***

All employees should endeavor to protect Norcraft's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on Norcraft's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Norcraft equipment should not be used for non-Norcraft business, though incidental personal use may be permitted by your supervisor or higher management.

The obligation of employees to protect Norcraft's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Norcraft policy. It could also be illegal and result in civil or criminal penalties.

## ***5. Compliance with Laws, Rules and Regulations***

Norcraft's reputation for integrity and excellence requires careful observance and compliance with all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. Obeying the law, both in letter and in spirit, is the foundation on which Norcraft's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from your supervisor or higher management.

If a law conflicts with a policy in this Code, you must comply with the law. You should, however, report any such perceived conflict to your supervisor or higher management and, if you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

## ***6. Confidentiality***

Employees must maintain the confidentiality of information entrusted to them by Norcraft or its customers, suppliers or other vendors, except when disclosure is authorized by your supervisor or higher management or required by laws or regulations. The type of information that should be kept confidential includes all non-public information that might be of use to competitors, or harmful to Norcraft or its customers, suppliers or vendors, if disclosed. It also includes information that our customers, suppliers or vendors have entrusted to us. The obligation to preserve the confidentiality of such information continues even after employment ends.

## ***7. Customer Relations***

Norcraft strives to develop and maintain excellent relationships with our customers. We are committed to providing our customers with quality and service.

You are expected to treat customers and business guests in a courteous and respectful manner at all times. Should a customer have a question or complaint, give the matter your immediate attention. If you ever feel you cannot properly handle a problem or difficult situation, refer the customer to your supervisor or higher management.

## ***8. Gifts***

Many companies and their employees have found themselves in embarrassing situations involving the giving and receiving of gifts. Therefore, the following guidelines should be used in this area.

The giving of substantial gifts to customers is prohibited. Expensive gifts can be viewed as a form of bribery. We believe that our products should stand on their own merit without giving costly gifts to influence the customer. If an employee feels he or she is in a situation where a gift would appear appropriate, he or she should discuss it with his or her supervisor or higher

management.

No employee is allowed to accept an expensive gift from any supplier or customer. If there is any doubt about the appropriateness of a gift, the employee should consult his or her supervisor or higher management.

### ***9. Payments to Government Personnel***

It is strictly prohibited to make illegal payments to government officials of any country.

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Norcraft policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

### ***10. Record Keeping***

Norcraft requires honest and accurate recording and reporting of information in order to make responsible business decisions. For example, only the true and actual number of hours worked should be reported.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or higher management.

All of Norcraft's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect Norcraft's transactions and must conform both to applicable legal requirements and to Norcraft's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation, and approved by the Board of Managers.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to Norcraft's record retention policies.

### ***11. Additional Requirements for CEO, CFO and Other Senior Executive Officers***

The CEO, CFO and all other senior executive officers are responsible for full, fair, accurate, timely and understandable reporting of information by Norcraft. Accordingly, it is the responsibility of the CEO, CFO and each other senior executive officer promptly to bring to

the attention of the Board of Managers any material information of which he or she may become aware that affects the reporting of information by Norcraft or otherwise assist the Board of Managers in fulfilling its responsibilities.

The CEO, CFO and each other senior executive officer shall promptly bring to the attention of the Audit Committee of the Board of Managers any information he or she may have concerning (a) material weaknesses in the design or operation of internal controls which could adversely affect Norcraft's ability to record, process, summarize and report financial data or (b) any fraud, whether or not material, that involves management or other employees who have a significant role in Norcraft's financial reporting, disclosures or internal controls.

The CEO, CFO and each other senior executive officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning any violation of this Code, including any actual or apparent conflicts of interest between personal and professional relationships involving any management or other employees who have a significant role in Norcraft's financial reporting, disclosures or internal controls.

The CEO, CFO and each other senior executive officer shall promptly bring to the attention of the Audit Committee any information he or she may have concerning evidence of a material violation of the laws, rules or regulations applicable to Norcraft and the operation of its business, by Norcraft or any agent thereof, or of violation of this Code or of these additional procedures.

### ***12. Reporting any Illegal or Unethical Behavior***

Employees are encouraged to talk to supervisors or members of higher management about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. Any employee may submit a good faith concern regarding questionable conduct without fear of dismissal or retaliation of any kind.

Norcraft provides an anonymous hotline available toll free to all employees to report any concerns about unethical behavior. The hotline is managed by an independent administrator, and can be reached 24 hours a day, seven days a week by calling 1-877-888-0002.

It is the policy of Norcraft not to allow retaliation for reports of misconduct by others made in good faith by employees. In addition, employees are expected to cooperate in internal investigations of reported misconduct.

### ***13. Compliance***

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know if a violation has occurred. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem.

These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.
- Seek help from Norcraft resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with members of higher management, including your Human Resources manager, the CFO or the CEO.
- You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected. The hotline can also be used by any employee who wishes to remain anonymous to report ethical violations or concerns. Norcraft does not permit retaliation of any kind against employees for good faith reports of ethical violations.
- Always ask first, act later. If you are unsure of what to do in any situation, seek guidance before you act.

The Board of Managers shall determine, or designate appropriate persons to determine, appropriate actions to be taken in the event of violations of this Code. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to this Code, and may include written notices to the individual involved that the Board of Managers has determined that there has been a violation, censure by the Board of Managers, demotion or re-assignment of the individual involved, suspension with or without pay or benefits (as determined by the Board of Managers) and termination of the individual's employment. In determining what action is appropriate in a particular case, the Board of Managers or such designee shall take into account all relevant information, including the nature and severity of the violation, whether the violation was a single occurrence or repeated occurrences, whether the violation appears to have been intentional or inadvertent, whether the individual in question had been advised prior to the violation as to the proper course of action and whether or not the individual in question had committed other violations in the past.