



# ANTI-CORRUPTION COMPLIANCE POLICY

## I - Introduction - Purpose:

A&L Cargo's reputation in the marketplace - with customers, vendors, business partners, and with regulators and other legal authorities - is among the Company's most important assets. Essential to that reputation is the Company's long-standing and continuing commitment to conducting business honestly, ethically and with integrity.

A&L Cargo is operating in a number of markets around the world, have instituted procedures to ensure that their directors, officers, employees, agents, and other representatives conduct themselves in compliance with all applicable laws and regulations prohibiting corrupt dealings, including: Vietnam's Anti-Corruption Law, the U.S. Foreign Corrupt Practices Act ("FCPA"), the United Kingdom Bribery Act 2010 ("Anti-Bribery Act"), the Organization for Economic Cooperation and Development Convention on Combatting Bribery of Foreign Officials in International Business Transactions ("OECD Convention"), Article 164 of the Criminal Law of the Peoples Republic of China ("Chinese Criminal Law"), and similar laws (collectively the "Anti-Corruption Laws").

This Anti-Corruption Policy (the "Policy") applies to all of A&L Cargo's directors, officers and employees and direct agents throughout the world. The Policy also applies to all business partners ("Business Partners"), a term including third-party distributors, dealers, suppliers, joint-venture partners, agents, contractors and others.

The Policy extends to all of A&L Cargo's financial and other record-keeping activities; it supplements, and should be interpreted with, any other policies and laws, including securities and import-export regulations, to which A&L Cargo is already subject. It is A&L Cargo's firm intention and unswerving policy to comply fully with Anti-Corruption Laws worldwide.

## II - Objectives:

The Policy sets forth guidance regarding the appropriate manner of conducting business with Business Partners and with government entities in order to be in full compliance with all applicable Anti-Corruption Laws worldwide.

Violations of these laws may create liability for both individuals and the Company, and are punishable at both the individual and corporate level. Depending on the jurisdiction, individuals themselves may be punished by an unlimited fine and significant prison sentences; and corporate entities may incur unlimited fines. It is therefore a matter of the utmost importance both ethically and legally to comply fully with the Policy.

The standards set out in this Policy are necessarily broad and do not address every situation that may arise and confront A&L Cargo employees, agents, and Business Partners. If you have questions regarding the Policy's application to a particular situation, please contact A&L Cargo's Corporate Compliance Officer, the Sr. VP of Human



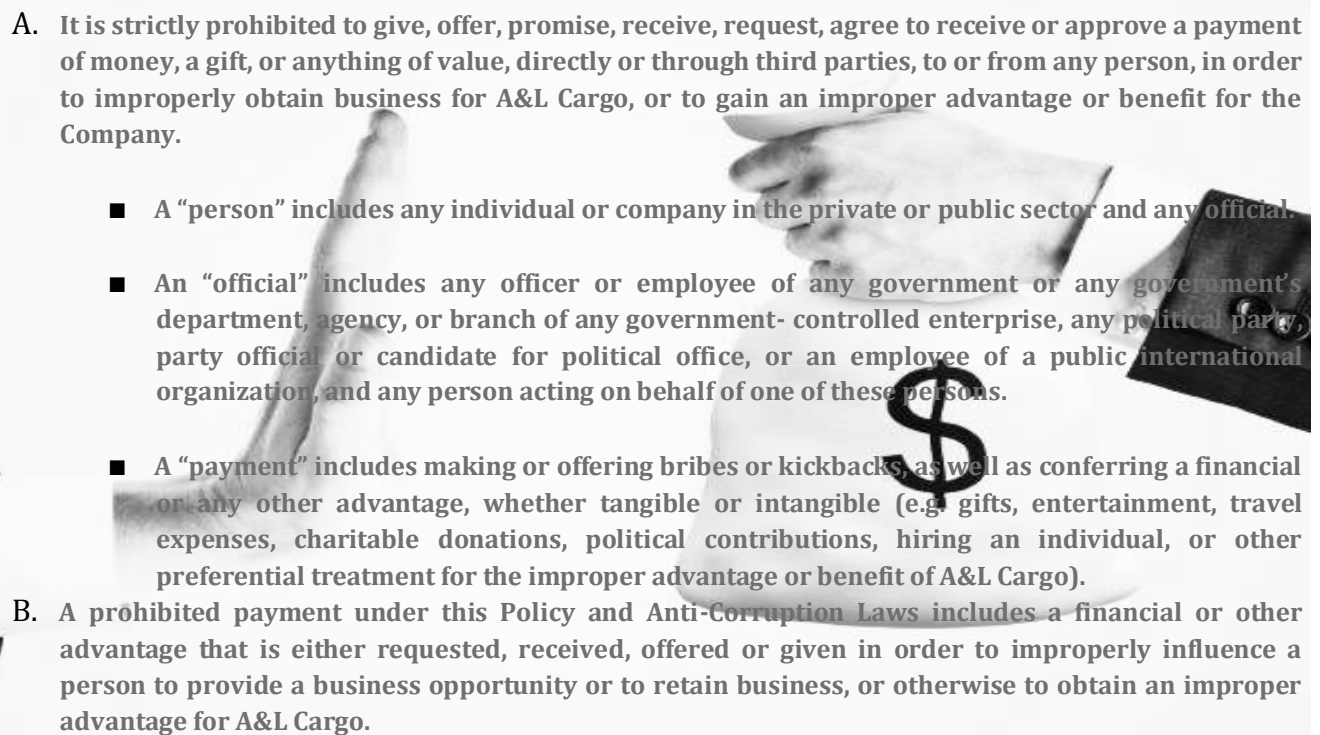
Resources and Organizational Development, or call the compliance hotline at 1-866-721-7625.

The Policy is to be widely disseminated to all A&L Cargo employees, agents and Business Partners that may be engaged by the Company. Anti-Corruption Laws operate globally; they not only relate to the business undertaken within the specific country where a company is registered but also - more particularly - apply to a company's international business activities.

Each employee, officer, director or Business Partner having responsibility for compliance with these laws within their area of authority must report any suspected violations to their immediate supervisor, another A&L Cargo Manager, or an officer or director of the Company. It is the duty of any of the above to ensure that the information is reported immediately to the Company's Corporate Compliance Officer.

### **III - Anti-Corruption Guidelines - Prohibited Payments and Conduct:**

In order to ensure A&L Cargo's compliance with all applicable laws, the Company issues the following instructions:

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- A. It is strictly prohibited to give, offer, promise, receive, request, agree to receive or approve a payment of money, a gift, or anything of value, directly or through third parties, to or from any person, in order to improperly obtain business for A&L Cargo, or to gain an improper advantage or benefit for the Company.
- A "person" includes any individual or company in the private or public sector and any official.
  - An "official" includes any officer or employee of any government or any government's department, agency, or branch of any government-controlled enterprise, any political party, party official or candidate for political office, or an employee of a public international organization, and any person acting on behalf of one of these persons.
  - A "payment" includes making or offering bribes or kickbacks, as well as conferring a financial or any other advantage, whether tangible or intangible (e.g. gifts, entertainment, travel expenses, charitable donations, political contributions, hiring an individual, or other preferential treatment for the improper advantage or benefit of A&L Cargo).
- B. A prohibited payment under this Policy and Anti-Corruption Laws includes a financial or other advantage that is either requested, received, offered or given in order to improperly influence a person to provide a business opportunity or to retain business, or otherwise to obtain an improper advantage for A&L Cargo.

An improper business purpose exists when a payment is requested, received, offered or made to influence a person to act or to refrain from acting in violation of his or her legal duty.

Such a payment is improper even if the purpose is to influence the person to make a sound business decision

- C. It is strictly prohibited to use an intermediary or third party to make, or offer any payment which would otherwise violate this Policy if made by A&L Cargo. Under applicable law, legal liability is not limited to those who actively participate in illegal conduct, but may also extend to those who, while not taking an active role in the illegal conduct, nonetheless make payments to an intermediary such

as an agent or consultant and ignore warning signals about the ultimate illegal nature of the payments. Knowing that an improper payment is paid to a person by a broker, agent or other third party acting on the Company's behalf is effectively the same as making the prohibited payment.

- Effectively looking the other way does not prevent legal exposure for A&L Cargo, as "conscious disregard" or "willful blindness" constitutes "knowledge" of wrongdoing and may create legal liability under applicable Anti-Corruption Laws.
- Further, under the U.K. Anti-Bribery Act, a commercial organization commits a direct offense if it fails to prevent persons "associated with it" from committing bribery in order to obtain or retain business or an advantage in the conduct of business for it. An offense is committed even if the commercial organization has no knowledge at all of the offending act - - UNLESS it can show that it has in place "Adequate Procedures" designed to prevent persons associated with it from undertaking such conduct.

"Adequate procedures" include this Policy, its publication to all employees and Business Partners, and ongoing communications and training on aspects of this Policy which will be carried out from time to time with a view to ensuring that corrupt activities are, where possible, prevented.

- D. Fees significantly higher than normal and guarantees of success are red flags indicating potentially illegal payments under this Policy and Anti-Corruption Laws. As a matter of policy, A&L Cargo will not pay above-market fees, commissions, costs or other expenses for goods or services; nor offer discounts deeper than or beyond those clearly and transparently established by documented Company policy.
- E. All of the foregoing prohibitions apply to the use of corporate funds as well as personal funds or assets.
- F. A&L Cargo's normal hiring process must be followed when handling hiring of current or former government officials, or candidates recommended by them, as well as candidates recommended by customers, vendors and other persons who transact business with the Company. If any person offers either to give a benefit to A&L Cargo or threatens to take adverse action in connection with a hiring decision, the candidate for employment may not be hired.

*A&L Cargo takes a "zero tolerance" approach to corruption and will act accordingly. Even the mere appearance of corruption, bribery or other violation of Anti-Corruption Laws could do great damage to A&L Cargo's reputation.*

#### **IV - Facilitating Payments:**

Payments to government officials are almost always prohibited in jurisdictions. You must consult your business unit's senior manager or A&L Cargo's Corporate Compliance Officer prior to making any such payments in order to verify that the payment is permissible under this Policy and applicable Anti-Corruption Laws. *Failure to do so could result in severe penalties for the Company and for you individually.*

Facilitating (or so-called "grease") payments to any government officials made in order to expedite or secure performance of governmental actions (e.g., processing a visa, customs invoice, or other governmental paper) are not permitted. Under the U.K. Anti-Bribery Act, facilitation payments are illegal and must not be made by any A&L Cargo



Personnel or Business Partner, regardless of whether such person is operating in the United Kingdom or elsewhere.

Very modest exceptions to this rule may be made where such payments are legal in the country involved, customary in the market, modest in scale, fully disclosed in appropriate accounting reports, and approved in advance by the Company. In other words, where A&L Cargo's Corporate Compliance Officer determines that the written laws and rules of the foreign country allow a payment to be made to an official in that country, it may be possible for you to seek permission to make a payment to that official without violating this Policy. However, since no country's written laws allow bribery, you must contact A&L Cargo's Corporate Compliance Officer before making any payment to an official based on local custom, law, or practice.

## **V - Business Entertainment, Hospitality and Gifts:**

If permitted by local law, A&L Cargo employees, officers, directors, agents and Business Partners may pay or accept the reasonable and bona fide expenses that are:

- A. directly related to the marketing, promotion, demonstration or explanation of A&L Cargo's products and operations; or
- B. directly related to the performance of a contract between A&L Cargo and the person.

Unless prohibited by an applicable law or regulation, A&L Cargo's directors, officers, employees, agents and Business Partners may pay for, or accept, reasonable meals served in connection with routine business meetings. Any other entertainment or hospitality in excess of \$50 USD accepted or provided must be reported on the Company's "Gift Notification Form" and to your business unit's senior manager or A&L Cargo's Compliance Officer. A copy of the Gift Notification Form is attached to this policy.

Such business meals, entertainment and hospitality must be reasonable in scope, expense and frequency, and proportionate.

Company Policy allows the making and acceptance of modest gifts in the course of doing business for A&L Cargo. Such gifts must be items of only nominal value. If the value of a gift given or received is in excess of \$50

USD, then acceptance of the gift must be reported on A&L Cargo's "Gift Notification Form" and to your business unit's senior manager or A&L Cargo's Compliance Officer. Acceptance of cash gifts (or cash equivalent vouchers) or gifts given regularly or often is prohibited.

The test is whether gifts and entertainment could be intended, or even reasonably interpreted, as a reward or encouragement for a favor or for preferential treatment. If the answer is yes, they are prohibited under the Policy and may violate the Anti-Corruption Laws.

### **Political Contributions**

Company Policy prohibits any A&L Cargo employee, officer, director, agent or Business Partner from making contributions on behalf of A&L Cargo to any foreign political party or to candidates for any foreign political office without the prior approval of A&L Cargo's Chief Executive Officer or Corporate Compliance Officer. This Policy also prohibits any such political contribution by A&L Cargo, or by any person on A&L Cargo's behalf, to gain an improper advantage or benefit for A&L Cargo.

### **Charitable Donations**

Without exception, all charitable donations made on behalf of A&L Cargo must be approved by the Company's Chief Executive Officer or Corporate Compliance Officer. The person or entity seeking to make the donation must provide documentation indicating that the charity is legitimate, the donation will be used for proper charitable purposes, and the donation will not directly or indirectly be used for personal benefit by a person associated with the charity.

## **VI- Requirements for Accurate Books & Records/Adequate Internal Controls:**

A&L Cargo's books and records must be current and accurate, and its accounts must fairly reflect all of the Company's transactions and activities. A&L Cargo has a system of internal accounting and disclosure controls designed and maintained to provide accurate and legitimate financial and accounting records.

The Company by this Policy requires adherence to the following accounting and recordkeeping prohibitions to ensure compliance with the Anti-Corruption Laws:

- No undisclosed or unrecorded funds or assets are to be established for any purpose.
- False, inflated or artificial entries must not be made in corporate books or records for any reason, and no person subject to this Policy shall engage in any arrangement that results in such entries.
- No accounting record or document relating to any transaction shall be falsified in any manner which may obscure or disguise the true nature of the transaction.
- No payment on behalf of A&L Cargo shall be approved without sufficient supporting documentation or made with the intention or understanding that any part of such payment is to be used for any purpose other than that described by the documents supporting the payment.

Money laundering, which is the process of concealing the origins of illegally obtained funds, is strictly prohibited. The use of A&L Cargo funds, assets, or employees for any unlawful purpose is strictly prohibited.

## **VII - Transactions with Third Parties:**

As set forth in Section III, A&L Cargo prohibits any payments or other financial benefits to persons, including Business Partners, with knowledge that all or a portion of such payment or thing of value will be offered, given or promised, directly or indirectly, to any person for an improper purpose. A&L Cargo's employees must conduct appropriate due diligence in the selection of Business Partners and appropriately structure the business relationship, especially with respect to third parties that may be used in any business dealings or interact on the Company's behalf with any government officials. No person or Business Partner should be engaged by A&L Cargo without first following applicable instructions as set forth in Section III.

A&L Cargo will take appropriate action to inform all third party representatives of this Policy and the requirement that such representatives adhere to this Policy and applicable Anti-Corruption Laws when acting on A&L Cargo's behalf. Any suspected violation of Anti-Corruption Laws by a third party should immediately be brought to the attention of the Company's Corporate Compliance Officer.

## **VIII - Export Control Matters:**

While not directly within the scope of the Anti-Corruption Laws, the countries in which the Company conducts



business have established laws governing the exports of products, software, and technology, and regulating business with countries, entities, and individuals subject to embargoes or sanctions. It is A&L Cargo's policy that all personnel, including employees, officers, directors and Business Partners conduct business in accordance with United States laws and regulations, including compliance with United States export control laws and regulations applicable to the Company's operations. No employee shall take actions intended to evade these laws. Employees with responsibility for the Company's export-control compliance program will be offered formal training sessions on the United States export-control laws and regulations and their applicability to their jobs.

The United States currently has sanctions in place against Burma (Myanmar), Iran, Iraq, North Korea, Liberia, The Russian Federation, Sudan, Syria, and Zimbabwe. It is essential that A&L Cargo employees, officers, directors and Business Partners consult with the Company's Corporate Compliance Officer before engaging in the sale or export of products in or to these countries. Further, the Company, its employees, officers, directors and Business Partners must make every effort to ensure that neither they NOR their customers or counterparties transact business with persons on the following lists:

- Specially Designated Nationals & Blocked Persons, Office of Foreign Assets Control, U.S. Treasury Department ("OFAC");
- Debarred Parties, Directorate of Defense Trade Controls, U.S. State Department ("DDTC");
- Denied Persons List, Bureau of Industry and Security, U.S. Department of Commerce ("BIS");
- Entity List, Bureau of Industry and Security, U.S. Department of Commerce ("BIS"); or
- Unverified List, Bureau of Industry and Security, U.S. Department of Commerce ("BIS").

The aforementioned lists are updated regularly. Copies of these lists are available through the Company's Corporate Compliance Officer.

## **IX - Mergers, Acquisitions and Joint Ventures:**

A&L Cargo may be subject to liability for violations of Anti-Corruption Laws committed by companies it acquires through merger or acquisition, or with whom it becomes formally linked via joint venture. The Company commits to the highest standards of investigative due diligence in accordance with relevant business practices and A&L Cargo procedures, in advance of making any investment in a non- A&L Cargo business entity, or entering into any joint venture agreement with a partner.

## **X - Reporting Potential Violations and Questions Regarding A&L Cargo Policy:**

Any A&L Cargo employee, director, officer, agent or Business Partner who learns information about a suspected violation of this Policy or Anti-Corruption Laws must make a timely report to the Company's Corporate Compliance Officer. A&L Cargo firmly prohibits retaliation against an employee who makes a report of a suspected violation of this Policy or Anti-Corruption Laws in good faith. The Company will undertake to assure the anonymity, if requested, of any employee or agent who in good faith reports any such suspected violation to the Corporate Compliance Officer or through the Compliance hotline.



## **XI- Penalties and Collateral Consequences of Non-Compliance:**

Violations of Anti-Corruption Laws may result in severe civil and criminal penalties for A&L Cargo, and its individual employees, officers, directors, agents and Business Partners. In addition, noncompliance with this Policy shall be grounds for internal Company disciplinary action against any individual found to be in violation of its prohibitions or directions, up to and including dismissal from the Company.

## **XII - Points to Remember:**

1. A&L Cargo is committed to the highest standards of business conduct. All A&L Cargo employees, Business Partners and agents around the world must take an active role in complying with the Anti-Corruption Policy.
2. Never offer or receive money (or anything else of value) to obtain or provide an improper advantage.
3. Third parties do not shield you or the Company from liability; more often than not, third parties create liability. Monitor and perform due diligence on all intermediaries and other third parties used in connection with A&L Cargo's business.
4. Never contribute A&L Cargo funds or assets for political purposes with intent to gain an improper advantage or benefit for the Company. Any requests for such contributions should be reported immediately to the CEO or the Corporate Compliance Officer.
5. Make sure business records are complete, timely and accurately reflect the true nature of any transaction.
6. Government officials need not demand a bribe directly in order to create potential liability. Instead of demanding a bribe outright, a government official may suggest that a particular third party with which he or she is affiliated be hired as a consultant or in some other capacity.
7. Be particularly skeptical of any proposed Business Partner who provides guarantees of success, or claims to be able to obtain licenses or other government approvals without providing a description of a legitimate manner by which those goals will be accomplished.
8. It will not always be readily or clearly apparent whether a particular circumstance may be a violation of the Anti-Corruption Laws. If more than one of the below warning indicators - "red flags" - arises or is found to exist, A&L Cargo is required to take enhanced measures to address the red flags before proceeding with the transaction or engaging with a third party representative or Business Partner. It is essential that you contact the Company's Corporate Compliance Officer to help you identify and properly address any such issues. Instances demanding such additional scrutiny include, but are not limited to, the following examples:
  - A request to pay unusually high or above-market commissions.
  - A request to deposit commissions in multiple bank accounts, perhaps in offshore banks.
  - It is learned that the Business Partner or one of its key employees is a close relative of a foreign official.

- A vendor, distributor, or other Business Partner (or would-be Business Partner) refuses to accept an anti-bribery or anti-money laundering clause in a contract with the Company.
- It is learned that the Business Partner has a reputation for offering bribes or violating other laws.
- A third party refuses to cooperate with due diligence or to agree in writing to follow A&L Cargo's Anti-Corruption Policy, or applicable Anti-Corruption Laws.
- The particular national marketplace in question is known for a high incidence of official and other corruption and bribery, as indicated by Transparency International's Perceived Corruption Index, or other established indicia.
- The Business Partner has a desire to keep the representation secret.

In any of these circumstances, Company employees, agents, contractors or other representatives are obliged to report the issue immediately to the Company's Corporate Compliance Officer.

This policy does not address every aspect of anti-corruption compliance. It is designed to provide guidance for A&L Cargo employees, officers, directors, agents, and Business Partners. These guidelines are in addition to the guidelines set forth in A&L Cargo's Ethics Policy and Code of Conduct and any other policy, code or guideline established by A&L Cargo with respect to the conduct of its employee.

