

MACLEAN-FOGG COMPANY

FOREIGN CORRUPT PRACTICES ACT COMPLIANCE POLICY

MacLean-Fogg's corporate policy prohibits all improper or unethical payments to government officials anywhere in the world. This is true even if payment to government officials is an accepted business practice in the relevant foreign country. Our policy, as established by Senior Management and the Board of Directors, is:

No company officer, employee, director or agent shall offer directly or indirectly payments to a foreign official to induce that official to affect any government act or decision in a manner that will assist the Company or any of its subsidiaries or divisions in obtaining, retaining, or directing business. Toward that end, every officer, employee and agent shall keep books, records and accounts that accurately and fairly reflect all transactions and disposition of Company assets.

The purpose of this policy is to ensure compliance with the U.S. Foreign Corrupt Practices Act ("FCPA" or the "Act") and related laws of other countries. The FCPA is a criminal statute that prohibits U.S. companies or their employees, agents or representatives from giving, paying, promising, offering or authorizing the payment, directly or indirectly through a third party, of anything of value to any "foreign official" to persuade that person to help the Company, or any other person, obtain or keep business. This Act applies with equal force to the Company's employees and agents who are not citizens of the U.S., but whose acts can subject the Company to liability, even if they take place outside the U.S. It is also worth noting that MacLean-Fogg's officers, employees, directors and agents can be held personally liable for FCPA violations under certain conditions. In light of the FCPA, and to ensure that MacLean-Fogg acts in a manner that ensures fair dealing with all of its customers, it is MacLean-Fogg's intention that no officer, employee, director or agent affiliated with the Company pay, facilitate, authorize or condone payment to any party in exchange for business.

Anti-Bribery Provisions of the FCPA

As discussed above, the FCPA prohibits any payment or offer of payment to a "foreign official" for the purpose of inducing that official to assist in obtaining, retaining or directing business. As defined in the FCPA, a "foreign official" includes for example any employee, officer or agent of a foreign government agency, a public international organization (e.g., the World Bank), a state-owned enterprise or any political party, including a candidate for office. An employee of a state-owned, commercial entity is also considered a "foreign official" pursuant to the FCPA.

In addition to prohibiting outright bribery, the FCPA also prohibits any act that is "in furtherance of" a payment to a foreign official. This covers not only the actual payment of money, but also an offer, promise or authorization of the payment of money and an offer, gift,

promise or authorization of the giving of anything of value. The Act also prohibits any payment to a third party where the payor “knows” that the third party will use any part of that payment for bribes. The FCPA takes a very broad view of the “knowing” standard, and an employee will be deemed to have knowledge that a payment will be used to bribe a foreign official if the person is aware that the conduct is “substantially certain to occur.”

Despite these rules, in some limited circumstances the FCPA permits payments to foreign government officials. For instance, the FCPA permits “facilitating” or “expediting” payments made to a foreign official for the purpose of securing or expediting routine governmental actions. Routine governmental actions are ministerial or clerical in nature and do not involve any discretionary decision-making. The types of such permissible payments are small, but includes such things as: the issuance of visas, work permits, and licenses; the clearance of goods through Customs; or the provision of public services such as police protection, mail delivery and public utilities. Similarly, it may be permissible to offer or pay for reasonable and bona fide expenditures, such as travel and lodging expenses of a foreign official, if such expenses are directly related to the promotion or demonstration of products or services, or to the execution or performance of a contract with a foreign government or agency. Before making any facilitating payment or covering expenses of foreign officials, you should inquire with MacLean-Fogg’s Internal Audit Department. Finally, payments to foreign government officials that are not illegal under the laws of the recipient’s country are permitted under the FCPA. As a practical matter, however, it is unlikely that any country in which MacLean-Fogg does business would permit a payment to a government official in exchange for business. Thus, such payments shall not be made by MacLean-Fogg’s officers, employees, directors or agents.

Penalties for FCPA Violation

The consequences of violating the FCPA are severe. Violation of the FCPA and related laws by a MacLean-Fogg officer, employee, director or agent can result in substantial fines and can subject the officer, employee, director or agent to prosecution, criminal fines and imprisonment. These penalties are in addition to disciplinary action that the Company may take, which can include dismissal. Furthermore, the FCPA states specifically that fines and penalties imposed upon individuals may not be paid directly or indirectly by the entity for which they may have acted. Thus, by law any officer, employee, director or agent found to have violated the FCPA will be personally liable for any penalties.

Guidelines for FCPA Compliance

It is MacLean-Fogg’s intent that the Company, and all officers, employees, directors and agents acting on its behalf, comply with the FCPA. All officers, employees, directors and agents whether located in the U.S. or abroad, are responsible for FCPA compliance and following procedures that ensure the FCPA’s rules are followed. All managers and supervisory personnel are expected to monitor continued compliance with the FCPA, ensure that reviews are routinely conducted and maintain current, adequate controls.

To promote FCPA compliance, the Company has developed guidelines that MacLean-Fogg’s officers, employees, directors and agents are expected to follow. Failure to do so will result in disciplinary action. Abiding by these guidelines will help ensure full compliance

with the FCPA and preserve our reputation for honesty and fair dealing with governments and their representatives throughout the world.

General Rules

The following rules have been established for all officers, employees, directors and agents acting on behalf of MacLean-Fogg, its subsidiaries, ventures and other related entities:

1. No payment or gift of any kind may be promised, offered or made to any foreign official directly or indirectly in order to induce the official to use his position to obtain, retain, or direct business for MacLean-Fogg.
2. Notwithstanding the foregoing, expenditures for meals, entertainment and other normal (for the relevant country) social amenities spent on foreign officials are permitted, provided they are not extravagant and are related to the promotion of a product or performance of a contract. Keep in mind that even nominal payments or gifts to a foreign official can violate the FCPA, local laws of the foreign country and/or the regulations of the foreign official's government entity. MacLean Fogg's Internal Audit Department should be consulted prior to any such payment or gift made to a foreign official.
3. Facilitating payments intended to expedite the provision or furnishing of normal government services are permissible (e.g., payments to speed the issuance of visas). Although the FCPA may permit such payments the laws of the foreign country may not and no facilitating payment may be made in such circumstance. Facilitating payments should be avoided to the maximum extent possible. The permissible category of such payments is narrow and MacLean Fogg's Internal Audit Department should be consulted prior to any such payment.
4. Payments that are legal under the laws of the country in which they are made are permissible. Note, however, that payments that are customary are not necessarily "legal." A payment violates the FCPA even if it is routine under normal business practices, yet technically illegal under the written laws of the country. If there is any question about the foreign country's laws, you should consult with MacLean-Fogg's Internal Audit Department prior to any such payment.
5. It is each officer's, employee's, director's and agent's responsibility to maintain complete and accurate records sufficient to show compliance with the above rules. This applies with particular force to payments made to foreign agents working on MacLean-Fogg's behalf.

Other Considerations

In addition to guidelines set forth above, MacLean-Fogg faces a number of unique circumstances that bear consideration.

Retaining Agents. Because the actions of a third party acting as an agent or representative of MacLean-Fogg can expose the Company to liability under the FCPA, great care should be taken in the retention of such agents and representatives. A sufficient due diligence investigation must be undertaken prior to retention of any agent to ensure that the representative does not intend to engage in any improper practices. This due diligence effort should be documented.

In determining whether to engage a particular representative, factors such as the individual's reputation and qualifications, the manner and reasonableness of compensation, the relationship, if any, between the owners and employees of the representative and a foreign official, the presence or absence of any secret partners, the willingness of the representative to fully disclose its relationship with the Company and the legality of the relationship under local law must be considered. In addition, MacLean-Fogg will obtain from that representative a representation that he intends to comply with the FCPA.

In addition to these general rules, it is important that those who work with foreign agents or consultants keep vigilant for "red flags" that may alert managers and supervisors that the circumstances for the payment of a bribe exist. Such "red flags" include, but are not limited to:

- Country in question prone to bribery
- Reputation of agent
- Demands for excessive commission
- Refusal to provide FCPA representation
- Relationship with government representatives
- Involvement in industry with known propensity for bribery
- Method of payment – e.g., payment in cash or to offshore accounts
- Internal transactions recorded as "cash"
- Managers of foreign operations awarded unusual bonuses

Government-Owned Businesses. In many countries it is a common practice for government officials to own or operate business enterprises. While the FCPA and related laws do not prohibit legitimate business relationships with business enterprises owned or controlled by foreign officials, great care must be taken to avoid any association with any such enterprise in circumstances that might constitute an evasion of the FCPA. You are to consult with MacLean Fogg's Internal Audit Department should you become aware of such a situation.

Joint Ventures. The Company is engaged in a number of joint ventures that may do business with foreign governments or entities that are otherwise related to foreign governments. A U.S. company may be held liable under the FCPA for the acts of foreign joint venture entities ("JVEs") and joint venture partners ("JVPs") if the U.S. company authorized, directed or controlled such acts. A U.S. company may also be held liable if it makes any payments, including capital contributions, to a foreign JVE or JVP, while knowing that all or a portion of such payment would be offered or paid to a foreign official for corrupt purposes. In addition, a U.S. "issuer" that holds 50 percent or less of the voting power of a foreign JVE may face liability

under the FCPA if it fails to make a good faith effort to influence the JVE to devise a system of internal accounting controls. Where MacLean-Fogg, directly or indirectly, is the manager of the joint venture, it is clear that payments made by the venture to foreign government officials to obtain or retain business are prohibited, and if made would subject the Company to liability. Even in those instances where MacLean-Fogg is not the manager of the entity and does not control the entity on a day-to-day basis, the Company may still be held liable for payments made by the joint venture. Thus, the Company must obtain representations from its joint venture partners and key employees that no part of the joint venture's funds are being used for payments that violate the FCPA.

Compliance and Enforcement of the Company's Policy

MacLean-Fogg has established a confidential reporting mechanism for officers, employees, directors and agents who observe acts that may be in violation of the FCPA. Any transaction, no matter how seemingly insignificant, that might give rise to a violation of the FCPA must promptly be reported to the MacLean-Fogg Internal Audit Department, which can be reached by e-mailing internalaudit@macleanfogg.com or by calling (847) 970-4605. All such reports will be treated as confidential, to be used only for the purpose of addressing the specific problem. Such reports will be shared by MacLean-Fogg management and other authorized individuals only on a need-to-know basis. MacLean-Fogg will take no adverse action against any person who makes such a report as long as a report is made honestly and in good faith. Note, however, that the failure to report known or suspected wrongdoing of which an officer, employee, director or agent has knowledge may, by itself, subject that individual to disciplinary action by the Company.

Further Information

Any questions concerning the FCPA and related reporting requirements should be addressed to the MacLean-Fogg Internal Audit Department.