



# Seaco Business Ethics Policies

## **Preface**

Seaco's Business has operated since at least 1998 with a set of Ethics Policies. These are from time to time updated in line with best corporate compliance practices and in line with current laws, regulations and practices.

HNA Group Co Ltd introduced "Guidelines for Integrity and Compliance" setting its commitment to develop a culture of integrity and compliance, foster a sense of responsibility and build its reputation. HNA's guidelines set out the high level principles and policy areas for all group businesses to adhere.

This is Seaco's Business Ethics Policies Manual. It contains information on the practices we should follow when conducting the Company's business, embedding and reinforcing HNA's high level guidelines.

It is important that you read and understand the policies. If there is any aspect of them that you do not understand, please discuss it with your immediate manager or with me.

Jeremy Matthew  
Chief Executive Officer

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# I Our Code of Conduct

- Obey applicable laws and regulations governing our business conduct worldwide
- Be honest, fair and trustworthy in all of your Company activities and relationships
- Avoid all conflicts of interest between work and personal affairs
- Foster an atmosphere in which equal opportunity extends to every member of the diverse Company community
- Strive to create a safe workplace and to protect the environment
- Through leadership at all levels, sustain a culture where ethical conduct is recognised, valued and exemplified by all employees
- Guiding us in upholding our ethical commitment is a set of Company Policies on key integrity issues
- All Company employees must comply not only with the letter of these Policies but also their spirit and the principles of fairness and integrity espoused in HNA's Guidelines for Integrity and Compliance.

These Policies are designed to comply with laws in key jurisdictions where we operate and apply wherever we do business. It is very important that you understand the scope of these Policies and learn the details of every one that relates to your job.

## **To do this, please:**

1. Read HNA's Guidelines and be familiar with the section of the intranet under "Legal – Compliance" of the Hub. Also note: What to Watch Out For which lists some of the things that may indicate a Policy issue that ought to be raised.
2. Read these introduction sections I - III covering the general responsibilities you have common to all Company Policies. It also describes how to raise a concern and the serious penalties possible for employees and others who break the law or otherwise violate a Company Policy.
3. For each Policy that relates to your job, be sure to read the complete text of the Policy, found in the Letter section. If necessary, talk to your manager to make sure you understand your full responsibilities.

An important note:

**These Policies are not an employment contract. The Company does not create any contractual rights by issuing these Policies.**

### **When You Have an Integrity Concern**

One of the most important responsibilities each of us has as a Seaco employee is the obligation to raise a concern about a possible violation of Seaco policy or the law. Sometimes it may seem difficult to raise such a concern. Some of us may even feel it is a breach of personal ethical standards to do so. If you experience that sense of conflict, it's important to remember the tremendous harm that not raising a concern can cause, including:

- serious damage to the health, safety and well-being of yourself, your fellow employees, the company as a whole, our customers and the communities in which we operate
- the loss of confidence in Seaco – by customers, share owners, governments and neighbours
- huge fines, damage awards and other financial penalties against the company; fines and/or prison sentences for individual employees.

Those are the reasons the company requires that employees not sit silently when they have a policy concern. The point of raising a concern is not to get a friend in trouble, but to protect a colleague or neighbour from potential harm.

## **II How to raise an integrity concern**

The company offers you many ways to get answers to your questions about integrity issues and to raise any concern about what might be a violation of Seaco policy:

- Your manager or head of department
- HR Department
- Company legal counsel / compliance officer
- Regional or Product Vice President
- CEO or COO
- The Seaco Ombudsperson (ombudsperson@seacoglobal.com)

Generally, your manager or head of department will be in the best position to resolve the issue quickly.

If after raising an integrity concern the issue is not resolved, raise it with one of the other contacts listed above.

You can raise your concern orally or in writing, and if you prefer, you can do it anonymously.

**The whole idea is to speak up. Ask questions. Get answers. Bring the concern into the open so that any problem can be resolved quickly and more serious harm prevented.**

### **What happens when an integrity concern is raised?**

A review team will be assigned to conduct an investigation. This will determine actions to be taken and process improvements required. It will then give a feedback to the complainant.

## **III Our Commitment and Responsibilities**

### **Our Policy Statements**

#### **Introduction**

**These Policies, which implement the HNA's Group Guidelines, are described in the following sections. Information common to all Policies, employee and leadership responsibilities, reporting procedures and penalties for violations, is contained in this introduction.**

#### **Who must follow Company Policies**

Company Policies apply to every employee. Others representing the Company, such as consultants, agents, distributors and independent contractors, will be requested to follow applicable Company Policies in carrying out their contractual obligations to the Company where context is appropriate - examples are set out below under Application to third parties.

#### **Responsibilities of all employees**

Each Policy gives you specific responsibilities. However, there are also basic obligations common to all Policies:

Learn the details of Policies dealing with your work. No one expects you to know all Policies word for word. However, you should have a basic understanding of issues covered by each Policy. You should have a more detailed understanding of Policies that apply to your job.

Seek assistance from your manager, Company legal counsel, or other Company resources when you have questions about application of the Policies.

Promptly report:

- Any concerns that you may have about possible violations of a Company Policy.
- Any concerns that you become aware of that others may have about a possible violation of a Company Policy.
- Any concerns about a possible request to violate a Company Policy.

You may report your concerns to a manager or, if you prefer, to Company legal counsel or other Company-designated person. Your report may be written or oral, and it may be anonymous. If you report a Policy concern and the issue is not resolved, raise it with one of the other contacts set forth above.

**Please note that the existence of a Policy concern does not mean that any improper activity has occurred or is contemplated but is an indication that further examination is required. Nonetheless, resolution of any Policy issues raised should be carried out in a professional manner with sensitivity to the interests of all concerned.**

Co-operate with Company investigations into concerns covered by a Company Policy.

Company employees at all levels are prohibited from taking retribution against anyone for reporting or supplying information about a Policy concern.

### **Leadership responsibilities**

Leaders have additional obligations common to all Policies. They must:

- Lead by example, using their own behaviour as a model for all employees.
- For each Policy, identify those employees whose activities may involve issues covered by that Policy.
- Provide education and legal counselling to promote Policy compliance.
- Create a culture which promotes compliance, encourages employees to raise their Policy questions and concerns, and prohibits retribution.
- Make sure employees understand that performance is never more important than compliance.
- Promptly report employee concerns of possible Policy violations according to the business reporting procedures.
- Take prompt remedial action when required.
- Gather feedback to evaluate and continually improve Policy compliance.
- In evaluating and rewarding employees, consider their actions and judgments in promoting and complying with Company Policies.

### **Application to third parties**

Certain Policies require Seaco to ensure that independent third parties be required to comply with the principles of those Policies in carrying out their obligations to the Company. Independent third parties include consultants, agents, distributors and independent contractors. Specifically, all third party sales agents and customs brokers must agree in writing to follow the Improper Payments - Policy 1.

Leaders and employees must:

- Identify those persons outside the Company whose activities may involve issues covered by Company Policies
- Request, and with respect to certain Policies (Improper Payments – Policy 1 and Following International Trade Controls – Policy 2) require, those persons to comply with relevant aspects of the Policies in carrying out their obligations to the Company
- Provide those persons with appropriate education on the requirements imposed by the Policies
- Take necessary action, up to and including terminating the Company contract, after learning that a third party has failed to abide by the required Policies.

### **Compliance programmes**

It is the responsibility of the Company CEO to set up and maintain an effective compliance programme to prevent and detect violations of Company Policies and applicable law. The CEO will periodically (but no less frequently than annually) review with the Company's Board of Managers the status of the compliance programme and any issues raised under the Policies from time to time. The compliance programme should have the following elements:

- Set standards and procedures that are reasonably capable of reducing the prospect of violations of Company Policies and applicable laws.
- Assign overall responsibility for compliance to specific high-level personnel.
- Screen employees and agents to prevent discretionary authority from being delegated to persons who have demonstrated insensitivity to the requirements of Company Policies and the laws to which they relate.
- Implement educational and training programmes that will enable employees to understand the basic requirements of Company Policies and applicable laws.
- Implement monitoring and auditing systems to detect violations of Company Policies and applicable laws.
- Establish and communicate a procedure for promptly reporting possible violations and concerns that protects against fear of retribution.
- Implement appropriate disciplinary mechanisms.
- Take remedial action to correct weaknesses and prevent recurrence of failures.

### **Penalties for violation**

Following Company Policy is a must. Employees who violate the spirit or letter of these Policies are subject to disciplinary action up to and including discharge. The following are examples of conduct which may result in discipline:



- Actions which violate a Company Policy
- Requesting others to violate a Policy
- Failure to promptly report a known or suspected Policy violation
- Failure to co-operate in Company investigations of possible violations
- Retribution against another employee for reporting a Policy concern
- Failure to demonstrate the leadership and diligence needed to ensure compliance with Company Policies and applicable laws.

**For many Company Policies a violation can also mean breaking the law and subjecting yourself or the Company to criminal penalties (fines or jail sentences), or civil sanctions (damage awards or fines).**

## **IV Policy**

### **POLICY 1: Improper Payments**

**Company employees and agents should only use ethical practices and not offer anything of value to obtain any improper advantage in selling goods and services, conducting transactions, and at all times in representing the Company. This Policy sets forth the ethical standards of conduct and practices which must be followed with respect to certain kinds of payments, entertainment and political contributions. The Company will not authorise, involve itself in or tolerate any business practice that does not follow this Policy.**

**A violation of this policy can result in severe civil and criminal penalties, under the laws of more than one country. The United Kingdom has prohibited, with criminal penalties, bribery in both governmental and commercial contexts and seeks to apply that prohibition not only within the United Kingdom but to all actions of affiliates of UK companies wherever in the world they occur. All countries prohibit the bribery of their own public officials, and many also prohibit the bribery of officials of other countries. Seaco's policy prohibits improper payments in all of our activities, both with governments and in the private sector.**

#### **Scope**

This Policy applies to employees of the Company.

We must require independent third parties to represent the Company in a manner that is consistent with our commitment to integrity and the principles of this Policy in dealing with customers, suppliers and government entities. Independent third parties include: consultants, agents, sales representatives, distributors, domestication agents, depots, contractors and any other outside persons representing the Company.

## Requirements

### General

Never make or offer, directly or indirectly, anything of value (such as money goods, services or other bribe or kickback) to any government or private sector customer or any government official, employee, representative or agent to influence or reward an action. A business courtesy, such as a gift, contribution or entertainment, may be appropriate but only if in accordance with section N of Seaco's Travel and Expenses Policy and should never be offered under circumstances that might create the appearance of an impropriety.

Be aware of and obey:

- US Foreign Corrupt Practices Act 1997
- UK Bribery Act 2010 and Part 12 of the Anti-Terrorism, Crime and Security Act 2001
- Offences under Part III of Criminal Finances Act 2017 to facilitate tax evasion
- Laws of other countries prohibiting bribery of governmental officials or commercial bribery.

### Third parties

Ensure that independent third parties represent the Company in accordance with this Policy and obey the laws of the US, UK and other countries' applicable laws related to matters covered by this Policy. Exercise due diligence when selecting a third party to represent the Company, keeping in mind that the Company and its employees may, in some circumstances, be held responsible for the actions of sales agents and other third parties. For example, if a sales agent makes an improper payment to a government official, the Company as well as the employees involved, might be charged with a criminal violation of law (including in particular the US Foreign Corrupt Practices Act and UK Bribery Act) if the employee (a) knew about the payment (or consciously disregarded information that the payment likely took place); and (b) authorised it, either explicitly or implicitly.

When selecting a third party to represent the Company, consider the following:

- Employ only reputable, qualified individuals and firms.
- Understand and obey any requirements governing the use of third parties (for example, funding agency restrictions, or customer, country or ministry prohibitions).
- Make sure that the compensation is reasonable for the services provided.
- Follow any implementing procedures or guidelines for selecting and paying third parties that may be established from time to time.

- If you spot something that might indicate a potential Policy violation involving a person or firm representing the Company, make sure that it is promptly investigated and resolved.
- Seek the assistance of Company legal counsel and management in exercising due diligence and resolving any concerns about anything that might indicate a potential policy violation.

### **Political contributions**

Seaco should not make any direct or indirect political contributions without approval of the board.

### **Permissible payments**

You may provide customers with ordinary and reasonable entertainment and gifts only if they are permitted by the law and the customer's own Policies and procedures.

This Policy does not prohibit lawful reimbursement for reasonable and bona fide expenditures, for example, travel and living expenses incurred by customers and directly related to the promotion of products or services, or the execution of a contract in accordance with the Company's Travel and Expenses Policy.

Gifts and entertainment to government officials and employees can be highly regulated and are often prohibited. Do not provide such gifts or entertainment unless you have consulted legal counsel and advised that you are permitted to do so by applicable laws and regulations and the policies of the recipient's employer.

### **Employee responsibilities**

Understand and keep up-to-date on the laws, funding agency regulations and customer requirements related to your job and each requirement of this Policy. These requirements can be complex, and it is not unusual to have questions related to a transaction. If you have any questions related to matters covered by this Policy, consult with Company legal counsel.

Take the necessary steps to make sure any party acting on the Company's behalf understands the requirement to follow the principles of this Policy in carrying out such party's obligations to the Company.

Carefully watch for signs which might indicate illegal activities or violations of Company Policies. These might require further examination of the situation, but do not necessarily constitute a violation of law or Policy, and include:

- a sales representative or other person representing the Company or being considered to represent the Company who:
  - has been accused of improper business practices
  - has influence on the buying decisions and a reputation for bribes

- has a family or other relationship that could improperly influence the customer's decision
  - approaches you near a customer's award decision and explains that he or she has a special arrangement with an official
  - insists on receiving a commission payment before the customer announces the award decision
- a customer who suggests that a Company bid be made through a specific representative or partner
  - any request that a commission or other payment payable to a customer be made in a third country or to another name
  - a commission or other payment that seems unusually large in relation to the services provided
  - a payment to a supplier via a third party or to an account in a different country.

If these or any other signs of a possible violation come to your attention, be sure to resolve your concern promptly before proceeding with the transaction. Resolution should include management and Seaco legal review, and it should be well documented.

Maintain timely, accurate and complete records of all expenditures of Company funds as spelled out in Financial Controls and Records – Policy 10.

Learn and follow Company policy for travel and living expense reimbursement, including section N in relation to business entertainment and gifts. In addition, learn and respect the Policies of customers and government agencies concerning acceptance of business entertainment and gifts.

### **Additional responsibilities of leaders**

Do not retain individuals or firms unless you are satisfied they can be expected to abide by the principles of this Policy when representing the Company. Pay them reasonably for services performed. Make sure the selection process includes a thorough consideration of the scope of activities, credentials, background, costs and compensation terms. Appropriate approvals should be obtained and documented. Make sure that the selection and payment process is consistent with the implementing procedures or other relevant Company guidelines. Also, refer to Policy 4 on Money Laundering Prevention and its requirement on the “know your customer” process.

Identify those persons inside and outside the Company whose activities may involve issues covered by this Policy. Carefully review and discuss the requirements of this Policy with them and every individual or firm considered to represent the Company. Make sure a programme is in place to provide them with appropriate education and legal counselling on the requirements imposed by the law and this Policy.

Closely monitor and control business entertainment and gifts.

Consult with legal counsel in executing your responsibilities under this Policy. Keep in mind that global operations raise issues requiring familiarity with the laws and regulations of various countries.

If you discover that a sales representative or other third party representing the Company engages in improper business practices for other firms, you should consult with Company legal counsel and take necessary remedial action.

Financial managers will make sure that accurate records are kept that show the amount and purpose of all payments. (See Financial Controls and Records – Policy 10).

The Company CEO will:

- Review financial reports covered by this Policy with the responsible financial manager.
- Request, as required, financial reviews of matters covered by this Policy from finance managers or audit personnel.
- Review, as required, other matters covered by this Policy with the responsible manager or with audit personnel.
- Review compliance concerns or possible violations of this Policy with Company legal counsel to determine the appropriate Company response and disclosure requirements.
- Carefully consider the Company's responsibilities under this Policy and applicable laws prohibiting bribery of foreign officials, commercial bribery as well as the failure to prevent facilitation of tax evasion.
- Determine the level of internal authority required to authorize the execution of any new international sales representative or sales consultant services agreement that is related to a government contract.

### **Penalties for violations**

Employees who violate the spirit or letter of this policy are subject to disciplinary action up to and including termination of employment.

In addition to the penalties for employees, the Company will terminate contracts with consultants, sales representatives, distributors, independent contractors and any other third parties who are unwilling or unable to represent the Company in a manner consistent with this Policy.

**Company employees must understand that the consequences of violating this Policy can extend to subjecting themselves and the Company to criminal penalties and/or civil sanctions.**

## Related Policies

Following International Trade Controls – Policy 2

Working with Government Agencies – Policy 5

Money Laundering Prevention – Policy 4

Supplier Relationships – Policy 3

Avoiding Conflicts of Interest – Policy 11

Financial Controls and Records – Policy 10

Supplier Relationships – Policy 3

## **POLICY 2: Following International Trade Controls**

### **Requirements**

Implement programmes to assure compliance with applicable laws and regulations governing international transactions, including in particular, US laws and regulations to the extent that the activities of the Company would subject the Company or their personnel to enforcement action by the US Government.

Avoid all transactions (unless otherwise approved by the Board of Managers) with or involving the governments or nationals of Cuba, Iran, Myanmar (Burma) and North Korea or other persons located in these countries so long as US sanctions against such countries continue in effect.

Follow all relevant international trade control regulations, including licensing, shipping documentation, reporting and record retention requirements.

Avoid any role in restrictive trade practices or boycotts prohibited or penalised under applicable law, including US laws.

### **Employee responsibilities**

Maintain a basic awareness of the laws and regulations governing international activities. Learn and follow the Company's procedures regarding international transactions.

Make sure all transactions comply with applicable law, including the US Export Administration Regulations, the US International Traffic in Arms Regulations, the US Foreign Assets Control Regulations and any other applicable US export regulations.

Do not co-operate with any restrictive trade practice or boycott prohibited or penalised under US laws. All boycott-related requests, including requests for information, must be reported to your supervisor.

Carefully watch for 'red flags' which might indicate extraordinary licensing requirements, illegal activities or any other violations of this or related Company Policies. The existence of any of these conditions does not mean that a violation of law or this Policy has occurred, but only that this Policy be checked to determine if an issue should be raised with your employment superior, Company legal counsel or the Board of Managers of the Company. 'Red flags' may include:

- unknown customer without convincing references
- unusual transaction or application for this consignee, customer, end use, or location
- evasive, reluctant, or otherwise unsatisfactory answers by a customer to questions about end use, end user, delivery dates, or delivery locations

- unusually favourable payment terms
- lack of concern for normal training and warranty service
- abnormal packing, marking or routing of goods
- unusual security or safety measures
- inappropriate military links.

Promptly report 'red flags' or concerns about possible violations of this Policy.

### **Additional responsibilities of leaders**

Require a careful review and discussion of this Policy with every agent, representative, distributor, subcontractor, or other individual or firm being considered to represent the Company. Do not employ any individual or firm unless you are fully satisfied they will follow the principles of this and other relevant Company Policies.

Consult with appropriate legal counsel in executing your responsibilities under this Policy. Keep in mind that international operations may raise issues requiring familiarity with the laws and regulations of countries other than the one where the exporter is based.

Establish procedures to screen international transactions for compliance with legal and regulatory requirements. Such procedures must ensure that proper licence authority is obtained and that appropriate documentation accompanies the transaction. The Company President will name a person or persons responsible for international trade compliance.

The person(s) named will have these responsibilities:

- Maintenance and communication of Policy and procedures consistent with Company standards
- Establishment of information and education programmes
- Records management
- Assurance of compliance, including
- Due diligence measures, i.e., transaction screening, responses to 'red flags'
- Accurate export classification, licensing, documentation and reporting
- Compliance with agreements and licences
- Remedial action.

Request, as required, reviews of matters covered by this Policy from legal counsel.

## Examples of violations

Providing, or failing to report a request to provide, boycott-related information.

Providing a product, information or service when there is reason to know it will be diverted to an unauthorised destination or use.

Exporting hardware or technical data, or marketing certain defence articles, without receiving the required authorisation or licence.

### Related Policies

Improper Payments – Policy 1

Working with Government Agencies – Policy 5

Financial Controls and Records – Policy 10

Supplier Relationships – Policy 3

## POLICY 3: Supplier Relationships

**Our Company bases supplier relationships on lawful, efficient and fair practices. The quality of our supplier relationships often has a direct bearing on the quality of our customer relationships. Likewise, the quality and ethical sourcing of our suppliers' products and services affects the quality of our own products and services.**

### Requirements

Follow applicable laws and government regulations covering supplier relationships, including under the UK Modern Slavery Act 2015 and Criminal Finances Act 2017.

Follow any government acquisition regulations when purchasing materials and services for use in fulfilling government contracts. Provide a competitive opportunity for suppliers to earn a share of the Company's purchasing volume, following Seaco's procurement policy ensuring fair and equal opportunities to competitive bidders. Enlist supplier support in ensuring that the Company consistently meets and exceeds customer expectations of quality, cost and delivery.

### Employee responsibilities

Evaluate all supplier offerings in line with Seaco's Procurement Policy on the basis of:

- technical leadership
- quality
- reliability
- service
- price
- any other relevant factors.

Respect the terms of supplier contracts.



Respect licensing agreements and copyright laws, including those covering computer software.

Ensure requests to Accounts Payable for vendor payments are consistent with the relevant contract or purchase order, highlighting to the CEO, CFO or General Counsel any requests routing via third parties or countries other than that of the supplier's domicile.

Maintain open, honest dialogue with contractors, consistent with good business practices.

Do not participate for personal gain in any supplier's contest, game, or promotion or accept gifts of other than nominal value.

Safeguard any information that the Company holds as confidential, either on its own or by agreement with a supplier.

Provide government regulatory agencies with all information required by law in the fulfilment of their responsibilities.

Promptly report any concerns about violations or possible violations in this Policy.

Where practical, provide competitive opportunities to all suppliers – large and small; local, national and international; internal and external.

### **Related Policies and procedures**

Improper Payments – Policy 1

Complying with Competition Laws – Policy 6

Following International Trade Controls – Policy 2

Working with Government Agencies – Policy 5

Avoiding Conflicts of Interest – Policy 11

## POLICY 4: Prevention of **Money Laundering and Tax Evasion**

**People who are involved in criminal activity (for example narcotics trafficking, bribery, tax evasion or fraud) may try to "launder" the proceeds of their crimes to hide them or make the proceeds appear legitimate. Most countries worldwide now have laws against money laundering, which criminalize the acceptance or processing of the proceeds of criminal activity, and against "reverse money laundering", the acceptance of clean money for services or goods put to a criminal or terrorist purpose. Some countries like the UK have gone a step further to criminalise directors and managers of businesses which fail to have adequate procedures to prevent other persons from committing tax evasion.**

**Seaco is committed to complying with all applicable anti-money laundering laws. Seaco will conduct business only with reputable customers who are involved in legitimate business activities, whose funds are derived from legitimate sources and do not use their dealings with Seaco to commit criminal tax evasion. Seaco must maintain up to date and follow a "Know Your Customer" procedure and take reasonable steps to ensure that the Company does not accept forms of payment that have been identified as means of laundering money or transact in way that facilitates another party to illegally evade tax.**

### **Risks**

Apparently normal transactions constitute money laundering, if the money, property or other assets brought to the transactions are the proceeds of crime or if what is taken from transactions is used in connection with terrorism or other crimes.

The definition of money laundering is very broad. Any contact with the proceeds of most offences, from petty theft to tax evasion, extortion and drugs trading, is likely to constitute money laundering. Identifying illegal sources of funds is difficult but Seaco can control who and how it conducts business with vendors and customers, taking care to ensure transactions are not designed to facilitate the counterparty illegal evade fiscal obligations.

Involvement in money laundering and facilitating illegal tax evasion are criminal offences, punishable by imprisonment. If not vigilant Seaco, its senior managers and employees may face criminal prosecution if the business is found to have been involved in a deal involving the proceeds or perpetration of a crime. This emphasizes why it is so important that all persons understand this policy and apply it at all times.

"Willful Blindness or indifference", by ignoring suspicious circumstances, failing to identify suspicious circumstances when it is reasonable that you should do so or failing to practice good Know Your Customer procedures, is a violation of this policy and, in the UK and many other jurisdictions, may constitute a violation of law.

If there is anything you do not understand, please ask your manager or direct queries to the CEO, CFO or the Money Laundering Reporting Officer (MLRO - currently the General Counsel – [dominic.buckwell@seacoglobal.com](mailto:dominic.buckwell@seacoglobal.com)).

## Requirements

- Comply with all applicable anti-money laundering laws and regulations. Follow this policy and seek advice and assistance from the MLRO as appropriate, undertake prescribed training and ensure that the Company meets its obligations to maintain up to date "Customer Due Diligence " review procedures and procedures designating acceptable forms of payment and the involvement of third parties.
- Learn about and be vigilant for anything that might indicate money laundering activities or violations of Seaco's policies. See the list below for some examples.
- If these examples or any other signs of possible violation come to your attention, report your concern(s) to Credit Risk or the MLRO in accordance with the reporting procedure set out below before proceeding further with the transaction.
- Follow the basic responsibilities of all employees common to all policies, which you can find in the Letter of Commitment section of Seaco's Business Ethics Policies.

## Customer Due Diligence Procedures

Wherever Seaco forms a business relationship, or carries out a one-off transaction, it must obtain satisfactory evidence of customer identity.

Being vigilant whenever a vendor or customer seeks to transact in an unusual or unintuitive way, such as using an account in a different name or a bank account in another country to its domicile.

Money laundering prevention is not simply a matter of box ticking. Remember that knowing enough about the people and businesses with whom we deal is just as important as confirming identity. We should always obtain information about the purpose and intended nature of the business relationship to understand the transaction and monitor the relationship on an ongoing basis. If you have any doubts with regard to a situation, you must seek advice from the CEO, CFO or the MLRO.

### The identification process

If satisfactory evidence of a customer's identity is not obtained, the relationship or transaction must not proceed any further. The requisite identification check(s) should take place within a maximum of five working days of the first business contact. If there is an unjustifiable delay in the evidence of identity being obtained from the customer or where it deliberately fails to provide the information, a disclosure should be made to the Credit Risk Department as described below.

Identifying a customer is a two-part process. The first part is done by the sales representative. The second by Credit Risk department.

First, the individual or company is identified, by obtaining the following;

- For companies:
  - Full name, registered number, registered address and business address.

- For private companies, full names of principle Directors and officers, such as the CEO, CFO and others involved in the transaction and their job titles.
  - Full names of direct shareholders or beneficiaries holding 10% or more of the equity.
  - Full names of ultimate shareholders or beneficiaries holding 25% or more of the equity.
- For an individual his or her full name, residential addresses and date of birth.

Second, the identification information will be verified where possible through the use of reliable, independent source documents, data or information by the Credit Risk Department. Credit Risk will also check the company and its principals against a data base using the “Bridger” or “Choice Point” Software Program. In case of data matches further information may be sought or transactions declined.

Unless otherwise specified, all documents examined should be certified copies or originals and as recent as possible and copies kept. Where you are dealing with an agent, the identity and address of the actual principal should also be verified.

If there is anything unusual about a customer or an instruction (for example if dealing with government officials or politically exposed persons or any entity in a high risk jurisdiction identified as such by the Financial Action Task Force (FATF) – see: <http://www.fatf-gafi.org/countries/#high-risk> further checks may be required and you should inform the MLRO immediately.

### **What to watch out for**

It is impossible to give an exhaustive list of circumstances and activities which will trigger suspicion. Sometimes it may be a combination of factors which individually would not give cause for concern. However, in the context of Seaco's business, the following are common examples which may, depending on the particular circumstances, be likely to trigger suspicion:

- A customer or agent who provides insufficient, false or suspicious information, is reluctant to provide complete information, or is anxious to avoid a reporting or recordkeeping requirement.
- Payments by use of accounts or monetary instruments that are not consistent with the business activities of the customer appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms.
- Requests by a customer or agent to pay in cash.
- Orders or purchases that are inconsistent with the customer's trade or business.
- Unusually complex deal structures and payment patterns that reflect no real business purpose or unusually favourable payment terms.
- Unusual fund transfers to or from foreign countries unrelated to the transaction.
- Unusual transactions involving locations that have been identified as areas of known money laundering activity.

- Structuring of transactions to evade recordkeeping or reporting requirements (such as multiple transactions below the reportable threshold amounts).
- Wire transfer activity that is not consistent with the business activities of the customer, or which originates or terminates with parties unrelated to the transaction.
- Requests to transfer money or return deposits to a third party, or to unknown or unrecognized accounts.

You must report any suspicions to the Credit Risk Department following the disclosure procedure set out below.

### **Disclosure Procedure**

If you are involved in any transaction where you either know or suspect that the money concerned is the proceeds of any crime, or that the products or services involved may be used in a criminal or terrorist activity, you risk being found personally guilty of money laundering unless you make an authorised disclosure. It must be made as soon as is reasonably practicable; i.e. within hours of the relevant information coming to your attention, or the very next day at the latest.

Where any person is aware of, or has reason to suspect, money laundering, they must inform the Credit Risk Department.

Credit Risk will refer to the MLRO who will acknowledge receipt and decide whether it is appropriate to make a formal disclosure, in the case of the U.K. to the Serious and Organised Crime Agency (SOCA).

If you know, or suspect, or have reasonable grounds for knowing or suspecting that another person is engaged in money laundering, you commit an offence if you do not disclose it as soon as practicable after you receive the information. Even if you genuinely do not know or suspect that someone is engaged in money laundering, you may commit an offence if there are reasonable grounds for knowing or suspecting money laundering. So if you deliberately shut your mind to the obvious, you may be culpable. To protect yourself, you must think very carefully whether, in any given transaction, there is anything slightly odd or 'iffy'. If so, you must make a disclosure.

The failure to report offences is punishable by up to 5 years imprisonment.

### **After A Disclosure Has Been Made**

Once you have made a disclosure, you must not discuss the matter with anyone else and you must not do anything further in connection with the deal or transaction until you receive direct instructions from Credit Risk or the MLRO. You must not make further enquiries into the matter yourself unless specifically requested by Credit Risk or the MLRO ; any necessary investigations will be undertaken by the MLRO.

## **Tipping Off**

At no time and under no circumstances should you voice any suspicions to the person(s) whom you suspect of money laundering, even if consent has been given to a particular transaction proceeding. This amounts to 'tipping off' and is an offence. The maximum penalty is five years in prison.

## **Additional responsibilities of leaders**

Designate a Money Laundering Reporting Officer who will be responsible for compliance with applicable legislation.

Maintain up to date and enforce an Anti Money Laundering Policy with the following elements:

- A written procedure tailored to Seaco's risks and characteristics
- Appropriate " Customer Due
- Diligence " procedures
- Clearly defined restrictions on acceptable forms of payment and the controls to support them
- Periodic training provided to all employees potentially exposed to money laundering (such as relevant sales or accounting staff identified by the compliance specialist)
- A monitoring system appropriate to the business
- Procedures to ensure compliance with government reporting requirements.

Periodically conduct an assessment of Seaco's vulnerability to money laundering. No new line of business or sales mechanism or office should be launched without a money laundering assessment.

Consult with appropriate Company legal counsel in executing your responsibilities under this policy. International operations must be familiar with applicable laws and regulations of the U.S., U.K. and other countries where business is conducted.

Promptly notify Seaco's legal counsel of any violation of applicable anti-money laundering law or regulation.

Follow the basic leadership responsibilities common to all policies, which you can find in the Letter of Commitment section of Seaco's Business Ethics Policies.

## **Penalties for violation**

Employees who violate Seaco's policies are subject to disciplinary action up to and including discharge. In addition, violation of this policy could lead to you or Seaco being charged and convicted of the crime of money laundering. Various anti-money laundering laws around the world call for jail terms and substantial fines. The extraterritorial application of anti-money laundering laws of countries around the world makes adherence to this policy a global concern.

## **Related policies**

Financial Controls and Records - Policy 10.

Improper Payments - Policy 1.

Supplier Relationships - Policy 3.

## **Questions and Answers**

Cash is not the only potential problem.

Q. If Seaco does not accept cash, is it still at risk of becoming involved in money laundering activity?

A. The elimination of cash as an acceptable form of payment does not necessarily eliminate money laundering risk. Money launderers and their criminal clients are constantly developing more sophisticated means of laundering money to evade detection. For example, they may use multiple money orders, third-party wire transfers or third-party checks as mechanisms for laundering money. Depending on the circumstances, a business which receives suspect payments may be exposed to civil or criminal penalties.

Origin of funds.

Q. Seaco has known a customer for years. Does it need to be concerned about how that customer makes payment?

A. Yes. In some parts of the world, a customer may be tempted to purchase U.S. dollar or other foreign currency instruments (which are funded by criminal proceeds) at a discount on a black market and then transfer those instruments to Seaco in exchange for products or services. For that reason, Seaco must take reasonable steps to ensure that customers pay with funds that originate from their own accounts or from an otherwise legitimate and verified source.

## **POLICY 5: Working with Government Agencies**

**Our Company must excel as an honest, responsible supplier to all government customers. In the global economy, our customers may include government customers throughout the world.**

**This Policy describes the Company's standards and practices in working with government agencies whether as a prime contractor or subcontractor. It also requires Company employees to be truthful and accurate when responding to government officials responsible for regulating the industries in which we do business.**

**Company standards require obeying both the letter and the spirit of the law by all employees adhering to the highest standards of honesty and integrity and avoiding even the appearance of impropriety.**

**Company employees should require consultants, agents, independent contractors, subcontract labour and any other persons working for the Company on a government project or government contract to agree to comply with this Policy.**

## **Requirements**

### **Transactions with government agencies**

Adhere to the highest standards of honesty and integrity, and abide by all applicable laws.

Comply with applicable government regulations and procedures, whether the Company is a prime contractor or subcontractor.

Note that the commission of certain offences, even if not related to a government contract can disqualify the Company from being a supplier to a public body in some jurisdictions such as the EU. This would include:

- offences of dishonesty
- offences involving corruption
- offences relating to the conduct of the business
- failure to meet social security or tax obligations.

### **Interactions with government officials**

Make sure that reports, certifications, statements, proposals and claims made to government agencies are truthful and accurate.

Gifts and entertainment to officials and employees of the governments of the United States, United Kingdom and other countries are often highly regulated and prohibited. Do not provide such gifts and entertainment unless you have determined that you are permitted by applicable laws and regulations, and Company Policies and procedures, to do so. (See

Improper Payments – Policy 1) and that it will not cause any embarrassment to such official or employee.

Respect conflict-of-interest laws and regulations regarding the recruitment, hiring or activities of present or former government employees.

### **Procurement Rules**

Public Procurement is highly regulated. Failure to comply with even minor procedural requirements can be strictly enforced and can lead to exclusion from procurement.

### **Freedom of Information**

Some governmental bodies are subject to the Freedom of Information Legislation. Seek advice on how best to protect commercially confidential information submitted to a governmental body from disclosure.



## **Audit and Inspection**

Most contracts with governmental bodies will require the Company to provide access to accounts documentation premises and staff to the body's Auditors, or to any person or organisation which has a supervisory or Inspection role in relation to that body. It will be necessary to maintain documents for a set period of time and to have them available for inspection.

## **Employee responsibilities**

In all transactions and other contacts with government agencies, take care to comply with applicable laws and regulations. Among the areas demanding your scrupulous attention are:

## **Interactions with government officials**

Whenever you provide information to a government official, whether orally or in writing, be truthful and accurate.

Take care not to do anything which in terms of hospitality, entertaining or gifts could appear improper or cause embarrassment to officials.

## **Contract proposal and negotiation**

Follow the laws and regulations pertaining to procurement. Obtain source selection, competitive or proprietary information only when such information has been authorised for release.

Ensure that you are aware of and strictly comply with any rules and instructions specified for a particular procurement. Failure to do so may preclude a bid by the Company from consideration. Examples which may have this effect include:

- failure to submit a bid to the correct address by the specified time
- failure to use any envelope supplied for the purpose
- including on an envelope any mark from which the Company could be identified as the bidder prior to the formal opening of the bid.

In negotiating certain government contracts, contractors must submit all required cost and pricing data before the contract is awarded. Contractors must also certify in writing that the data are current, accurate and complete.

Therefore:

- Maintain current, accurate and complete records of all cost or pricing data. Certify and disclose all data when required by law. When in doubt, disclose.
- Report, prior to certification, all changes or errors in cost or pricing data.

## **Contract Performance**

Meet contract requirements for design, manufacture, materials, testing and any other relevant specifications.

Purchase materials and services for government contracts only through approved sources and comply with purchasing procedures in areas such as truth in negotiations and source selection.

Avoid unauthorised substitutions, including use of imported materials where domestic materials are specified in the contract.

Do not deviate from contract requirements without written approval of the authorised government procurement official.

Accurately allocate costs to the proper contracts. Avoid mischarging, which can result, for example, from improperly filling out time cards, vouchers, charging insupportable overhead costs, incorrectly classifying costs or shifting of costs between contracts.

Comply with laws and regulations applicable to government contractors which require equal employment opportunity, affirmative action and other such contractual requirements.

## **Conflicts of Interest**

Avoid business or financial relationships with suppliers, subcontractors, customers or direct competitors which could interfere, or appear to interfere, with the proper performance of your job. See Avoiding Conflicts of Interest – Policy 11 for more information on this and related requirements.

## **Security and Confidentiality**

Follow security regulations of the governments having jurisdiction over Company operations in a particular country. Those regulations cover plant and office security, the proper handling of classified material, travel, personal contacts, and other activities of Company employees both on and off the job.

Treat all information and data received from the governmental body or relating to it as strictly confidential.

## **Competition**

Follow Policy 6 – Complying with Competition Laws, which prohibits price-fixing and other anti-competitive behaviour.

## **Reporting**

Promptly report any concerns about possible violations of this Policy.

## **Additional responsibilities of leaders**

Identify areas of sensitivity and concern regarding government contracting, and set up appropriate controls and safeguards.

Identify and ensure that relevant staff is aware of any procedural requirements of a procurement process.

Provide employees with correct charge numbers, and clear and accurate information about charging time and other costs to the proper contract.

Develop any other procedures consistent with this Policy necessary for doing business with government agencies within the US (federal, state and local) and other countries.

Employ or contract with only competent, reputable individuals, suppliers, agents and consultants who have no real or apparent conflicts of interest.

## **Related Policies**

Equal Employment Opportunity – Policy 7

Improper Payments – Policy 1

Complying with Competition Laws – Policy 6

Following International Trade Controls – Policy 2

Supplier Relationships – Policy 3

**POLICY 6: Complying with Competition Laws**

**Seaco is dedicated to compliance with the competition laws in all of its activities. Every Seaco employee is responsible for compliance with those laws, as well as for promptly raising concerns about any possible violations to company legal counsel, senior management, or a company ombudsperson.**

The anti-trust laws and competition laws of countries around the world are a critical part of the business environment in which the Company operates. They govern the Company's day-to-day conduct in setting prices and other aspects of purchasing, selling and marketing goods and services.

### **Requirements:**

Comply with all applicable competition laws, policies and treaties of the United States and the European Union and the competition laws of other countries where Seaco does business.

Understand and comply with the basic requirements of any antitrust or competition decrees, orders and undertakings that apply to your business activities.

Promptly report any concerns about possible violations of this Policy.

## **Employee responsibilities:**

Understand the basic requirements of the competition and anti-trust laws, decrees and orders that apply to your business activities.

Competition laws apply to your dealings with our competitors, our customers and our suppliers. Competition law affects the way in which you interact with each of those groups and the way in which they interact with you. This means that you have to consider that law in all your dealings with competitors, customers and suppliers and take advice from company legal counsel if there is a risk that any activity, conduct, agreement or understanding might infringe competition law.

This guide sets out the key constraints. Note that if you believe that Seaco is a victim of such behaviour perpetrated by others, there may be remedies to protect us, and you should consult general counsel.

## **Application to international activities**

Virtually all countries in the world where we do business have competition or anti-trust laws. They follow to a large extent very similar principles, although they may be applied differently. Many of these laws also apply to activities which have an effect on a country's commerce even where the conduct takes place outside that country.

In view of the extraterritorial reach of US anti-trust law, you should review with legal counsel any actions or agreements that would raise anti-trust issues if they took place in the US. You should also consult with legal counsel about the requirements of other competition laws that may affect the Company's international business activities.

## **Consequence of Non Compliance:**

Violation of competition laws may have serious consequences for Seaco, and for the individuals involved, as explained in this policy. In summary, Seaco may be fined by the competition authorities or sued for compensation by any one claiming to have been hurt by our conduct, agreements or understandings. In some countries, individuals involved in unlawful behaviour may be imprisoned and/or face personal fines.

Failure to comply with this policy is a serious matter and may lead to disciplinary action for any employee involved.

## **Dealing with Competitors:**

There are many reasons why you might come into contact with competitors – at trade associations, industry events and on social occasions. You must not let conversations or discussions touch on any topic prohibited by competition law.

You cannot talk directly or indirectly to any competitor or reach any agreement or informal understanding with a competitor on:

- Pricing and pricing models
- Your commercial strategies (current or future)
- Terms and conditions for leasing or sale

- Costs, including the costs to us of buying equipment
- Profits or margins, including discount schemes
- Product or service offerings
- Revenue or turnover
- Utilisation rates
- Market shares
- Decisions whether to quote for business or not to quote
- Customer or supplier classification or selection
- Product innovation
- Sales territories
- Distribution methods, including customer incentive schemes

These guidelines apply not only to face to face conversations but also to email or any form of communication whether direct or indirect such as through a third party.

You must not reach agreements or understandings with competitors on any of the above. Note that in this case agreement or understanding includes any informal or implied arrangement, even a 'nod and a wink'.

The mere delivery by one competitor to another of information—a price list, for instance—may be deemed evidence of an agreement. Even the statement of a view (e.g., we should all impose discipline to resist xyz's demands for price reductions), may be deemed the basis for finding an unlawful agreement. You should be aware that a situation where there is no exchange of information as such on any of the above but one party gives its views to others may be unlawful.

These rules apply even if they are carried out in the context of an industry body, such as the Institute of International Container Lessors.

If a competitor attempts to give you information on any of the above headings, you must immediately discourage further discussion and report the event to company legal counsel. You should say to that competitor: *You should not tell me that. By telling me [x], you would put me in an extremely embarrassing position. Under my company rules, I have to report this to our General Counsel as this is prohibited. Please do not give me this kind of information. Not only is this the right thing to say, but remember someone else may be witnessing the conversation; your competitor could even be recording it.* If you did not have time to stop the competitor, break off the conversation, telling him or her that he or she should not have given you the information and you must now report to your General Counsel.

Even when there are appropriate reasons for communications between competitors (such as customer or supplier issues arising from a genuine buyer-seller relationship, the exploration of a potential joint venture or an attempt to change legislation or regulation), meetings and discussions between competitors present potential legal risks. Avoid creating the appearance of improper agreements or understandings by making sure that there is a legitimate business reason for communications with competitors. Consult with legal counsel regarding the steps you should take to minimise the potential legal risks posed by communications with competitors. Often there should be in place a confidentiality agreement stating the purpose of the discussion and limiting the use of information to a legitimate purpose. Having a written advance agenda and a contemporaneous note reporting the discussion may also be helpful. Comply with any procedures for reporting and documenting competitor contacts adopted by the Company.

### **Trade Associations:**

The same principles relating to dealing with competitors also apply to participating in trade associations. Comply with any additional guidelines for participation in trade associations, professional societies, and standards development and product certification organisations. Employees should notify the general counsel of all trade associations in which they participate or wish to participate and provide the general counsel with such information as the general counsel requests. Notify the general counsel of your attendance at trade association meetings and participate in training on trade associations as the general counsel suggests. At trade associations, you can discuss:

- The economy
- Prospects for the industry overall
- Legislation and proposed legislation
- Market developments (excluding the information on specific competitors prohibited above)
- Industry best practice (excluding the information on specific competitors prohibited above)
- Health & Safety, including standards
- Performance or benchmarking surveys
- Historic industry data

But you must not discuss any topic on the prohibited list on pages 2-3 above. If a competitor or someone else attempts to give you information on any of the prohibited points, you must immediately discourage further discussion and report the event to company legal counsel. You should say to that *You should not tell me that. By telling me [x], you would put me in an extremely embarrassing position. Under my company rules, I have to report this to our General Counsel as this is prohibited. Please do not give me this kind of information.* If you did not have time to stop the discussion, break off the conversation, stating that you should not have given you the information and you must now report to your General Counsel.

## **Dealing with Suppliers**

Consult with Seaco legal counsel before entering into:

- any agreement or understanding with a supplier that requires it to conduct business with Seaco before Seaco will buy from it
- any agreement or understanding with a supplier as to the customers with whom the supplier might contract or the terms of any such contract
- any agreement or understanding with any supplier which limits the supplier's freedom relating to prices or other terms that the supplier offers to any other party
- any agreement or understanding with the supplier about the rates or prices you may charge to your customers or the kinds of customers with whom you might do business
- any patent, copyright or proprietary know-how licensing arrangement that restricts the freedom of the licensee or licensor
- any sales, supply, procurement, or distribution agreement that includes any form of exclusivity, including territorial exclusivity, by any party
- any agreement or understanding which commits us to doing certain volumes of business with that supplier
- any agreement or understanding which includes discounts other than those clearly calculated on a volume basis or on specific cost savings (e.g., shortened payment terms)
- any agreement or understanding which requires us to inform a supplier of any better terms offered to us by a competing supplier
- any joint venture or collaboration agreement.

## **Dealing with Customers**

Consult with Seaco legal counsel before entering into:

- any agreement or understanding that makes supply of one Seaco product or service a condition of purchasing another Seaco product or service
- any agreement or understanding with a customer that requires it to conduct business with Seaco before Seaco will buy from it
- any agreement or understanding with a customer to restrict the customer's choice in using or reselling a Seaco product
- any agreement or understanding with a customer that requires the customer to lease or source solely from Seaco

- any agreement or understanding which requires the customer to commit to certain volumes of business with us, including where limited to a specified period of time that would substantially preclude the customer from using other competitors.
- any agreement or understanding which includes discounts other than those clearly calculated on a volume basis or on specific cost savings (e.g., shortened payment terms)
- any agreement or understanding that offers a customer a special price or promotional allowance or service that is not offered for the same or like grade and quality product to all competing customers
- any agreement or understanding which restricts the parties with whom the customer may deal or the terms on which that customer may deal with other parties
- any agreement or understanding which requires our customers to inform us of any better prices offered by our competitors
- any patent, copyright or proprietary know-how licensing arrangement that restricts the freedom of the licensee or licensor
- any sales, supply, procurement, or distribution agreement that includes any form of exclusivity, including territorial exclusivity, by any party
- any joint venture, merger or collaboration agreement.

### **Handling Investigations by Competition Authorities Including Dawn Raids**

- All countries with competition laws give their officials extensive powers to investigate alleged violations of the competition rules.
- These powers normally include the power to obtain information and witness statements from any one who the authorities consider may be able to assist them.
- These powers will also normally include the right to carry out inspections without prior warning (often called 'raids' or 'dawn raids') at company premises, to take copies of books or records and in some cases originals of documents and to ask for information from those on-site.
- In some cases, inspections are carried out using police powers.
- Refusal to co-operate may involve sanctions such as fines.
- Notify company legal counsel immediately if you are contacted by any competition law enforcement authority making any request for information relating to Seaco's or anyone else's business activities or seeking to carry out an inspection.
- The authorities' powers differ from country to country and company legal counsel will arrange for advice from local lawyers.
- The general counsel will from time to time circulate general advice on responding to investigations.



## **Penalties for Competition Law/Antitrust Violations**

Employees who violate the spirit or letter of Seaco's policies are subject to disciplinary action up to and including termination of employment.

Violations of the competition laws may result in substantial fines being imposed on the company for violations of the competition laws, which can go as high as hundreds of millions of U.S. dollars or 10% (ten percent) of a company's world group turnover, depending on the severity, duration and impact of the violation.

In some countries, there may be criminal prosecution of the company and of the individuals who authorised, ordered, or participated in the violation. Individuals convicted of violations may be sentenced to prison terms or have to pay fines and in some cases both.

Businesses and individuals who have been harmed by violations of the competition laws can recover their actual damages and, in some situations, can recover amounts equal to three times the actual damages incurred. They may also obtain injunctions against the company.

In the instance of a merger, acquisition, divestiture or joint venture for which the required regulatory approval has not been sought, the penalties can, include substantial fines as well as delay of the transaction, or even an unwinding of the transaction if it is already completed.

## **Questions and Answers**

### *Obtaining competitive information*

**Q:** In developing our marketing strategy, it helps to have as much information as we can get on what our competitors are doing. Is it okay simply to call our competitors and ask for their price lists or information about their cost of buying equipment?

**A:** No, competitive information should come from the marketplace (customers, suppliers and public sources) and not from competitors. Although it is appropriate to seek information about the competitive environment from consultants or other experts, do not hire such persons to obtain pricing and other sensitive competitive data from competitors. You cannot use a consultant to do indirectly what you cannot do directly.

You can take into account publicly available information our competitors make available to the marketplace through, for example, public Internet sites (not requiring you to state you are a potential customer), public regulatory filings, annual reports or other marketing materials made available to the public, as such information can be collected like any other form of public information. To the extent customers volunteer information on competitors, you generally can take it

You should carefully document in your files the source of all competitive information to avoid any inference that information obtained from proper sources was secured through an improper communication with a competitor.

Communications with competitors regarding such competitively sensitive subjects as prices, costs, terms and conditions of sale, and decisions to quote or not to quote may be treated as evidence of an improper understanding or agreement between competitors. This is particularly so if the communication is followed by similar bids, price increases or other such significant competitive actions.

Avoid creating an appearance of an improper agreement with competitors. Keep discussions with competitors to a minimum and make sure they are always supported by legitimate business reasons.

### ***Competitive Proposals***

- Q: Sometimes a customer will complain that Seaco's prices are higher than those of Interpool can I ask such a customer for copies of my competitor's proposals to confirm that the competitor's price is lower than the price I am quoting?
- A: Yes. It is appropriate to receive such information from customers. You should carefully document in your files the source of any competitive information to avoid any inference that information obtained from proper sources was secured through an improper communication with a competitor.

### ***Reducing sourcing costs***

- Q: I'd like to make my top suppliers exclusive to Seaco. Does this raise any issues?
- A: In some circumstances, you may be able to enter into an agreement with a supplier to sell products exclusively to Seaco. However, exclusivity in supplier agreements can raise issues under the competition laws, depending on several factors, including the duration of the exclusivity, the supplier's market share and the nature of the product in question. The particular facts of each situation should be reviewed with company counsel before you enter any exclusive agreements with Seaco's suppliers.

## **POLICY 7: Equal Employment Opportunity**

**Our Company is committed to equal employment opportunity. By continuing to extend equal opportunity and providing fair treatment to all employees on the basis of merit, we will improve the Company's success while enhancing the progress of individuals and the communities where our business components are located.**

**All employees working for the Company must comply with the requirements embodied in this Policy, unless in conflict with local law. In addition, the principles of equal employment opportunity are appropriate for the management of employees on a worldwide basis, consistent with applicable laws, customs and practices within each country.**

## **Requirements**

Use merit, qualifications and other job-related criteria as bases for all employment-related decisions affecting employees.

Recruit, hire, train, compensate, promote and provide other conditions of employment without regard to a person's race, colour, religion, national origin, sex, age, disability, veteran status or other characteristic protected by law.

Take action to provide equal employment opportunity including programmes and efforts to ensure that there are diverse applicant and candidate pools of people who are qualified and who have the opportunity to compete for any open positions or promotion opportunities. Selection of successful candidates will then be based on qualifications and merit.

Provide a work environment free of harassment of any kind based on diverse human characteristics and cultural backgrounds. Sexual harassment, a form of harassment, is prohibited under this Policy.

There are two types of sexual harassment: quid pro quo and hostile environment. Quid pro quo harassment includes unwelcome sexual advances or requests for sexual favours where submission or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual. Hostile environment harassment includes unwelcome sexual advances, requests for sexual favours, or other verbal or physical conduct or communication of a sexual nature that has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

## **Employee responsibilities**

Promptly report any concerns about possible violations of this Policy. For issues under this Policy that affect you personally, utilise available grievance or problem-solving procedures to help in resolving them.

## **Additional responsibilities of leaders**

Each manager is responsible for applying this Policy within the manager's department.

Managers reporting to an officer must assure that effective equal employment opportunity and action plans, programmes and practices as may be required by applicable law are developed and implemented, and measured at least annually. Assign responsibility for overall management of such action problems within your area of responsibility. This should include, where necessary, responsibility for co-ordinating programmes on a local or organisational basis.

Ensure that programmes are in place to provide employees with appropriate education and legal counselling on the requirements imposed by applicable equal opportunity laws and this Policy.

Identify those independent contractors or suppliers whose activities may involve issues covered by this Policy. Ensure that contracts with independent contractors and suppliers contain affirmative action clauses where required by government contracts. Where appropriate, include clauses that require independent contractors and suppliers to abide by this Policy when interfacing with Company employees.

### **Examples of violations**

Hostile or demeaning behaviour based on or disparaging an employee's race, colour, religion, national origin, sex, age, disability, veteran status or other characteristic protected by law.

Persistent on-the-job flirtations or other invitations for a social relationship with a fellow employee when he or she has stated that such advances or interests are unwelcome.

Displaying any sexually suggestive visual material in the workplace.

Hiring, compensation, promotion and lay-off practices which are not clearly job-related.

Failure to respect applicable law concerning race, colour, religion, national origin, sex, age, disability, veteran status or other characteristic in screening employees for hiring, promotion, compensation or other employment-related decisions.

Providing or withholding work-related assistance, co-operation, and/or information to fellow employees based on their race, colour, religion, national origin, sex, age, disability, veteran status or other characteristic protected by law.

## **POLICY 8: Health, Safety and Environmental Protection**

**Our Company is committed to achieving environmental, health and safety (EHS) excellence. This is a responsibility of management and employees in all functions. The Company will strive to provide a safe and healthy working environment and to avoid adverse impact and injury to the environment and the communities in which we do business. Our programmes must combine clear leadership by management, the participation of all employees and functions, and the use of appropriate technology in developing and distributing Company products and services.**

### **Requirements**

Comply with applicable environmental, health and safety laws and regulations.

Take appropriate measures to prevent workplace injuries and illnesses, and to provide employees with a safe and healthy working environment. Consider evolving industry practices, regulatory requirements and societal standards of care.

Eliminate unreasonable risks from the Company's facilities, products, services and activities.

To the extent practicable, reduce the use and release of toxic and hazardous materials.

Research and, where appropriate, implement advanced technology in the design and production of the Company's products and services and to prevent pollution and conserve, recover and recycle raw materials.

### **Employee responsibilities**

Follow this Policy and applicable laws and regulations to protect your own health and safety as well as that of other workers, the public and the environment.

Present ideas that support the goals of this Policy to your manager.

Promptly report concerns about possible violations of this Policy to your manager.

### **Additional responsibilities of leaders**

Implement monitoring and auditing systems at the plant and business levels designed to detect violations and assure compliance with the law and this Policy.

Regularly evaluate the effectiveness of managers and other senior employees on their implementation of this Policy and environmental, health and safety programmes.

Managers responsible for a facility, activity, product or service will:

- communicate responsibly with employees, communities, customers, and government agencies regarding environmental, health and safety issues
- co-operate with the public, government, and other interested parties to develop appropriate regulatory and public policies that protect employee and public health and the environment

- implement effective programmes, training and best practices for health, safety and environmental protection and for the elimination or reasonable reduction of toxic and hazardous materials
- regularly assess plant operations and management. Establish measurements to ensure compliance with this Policy and applicable laws and regulations
- ensure that employees with EHS responsibility are appropriately screened before appointment and that their continued appropriateness for their position is periodically reviewed
- develop appropriate programmes for safety reviews of new and redesigned products prior to sale and distribution to customers. Monitor after-sale safety performance to identify and address significant product safety issues
- work co-operatively with the Company's agents, contractors, business partners and suppliers to ensure that our relationships with them are supportive of this Policy
- promptly communicate to your manager and your assigned legal counsel any:
  - emergency evacuation, communicable diseases or other serious health incidents which may have exposed employees to health hazards;
  - work-related employee fatalities and other serious safety incidents requiring a report to a governmental agency;
  - information regarding health concerns over possible workplace exposures where a clinical investigation or epidemiological study is anticipated;
  - environmental incidents requiring a report to a governmental agency, or any governmental allegations of substantial violations of environmental laws or regulations;
  - legal proceedings alleging significant property damage or personal injury from environmental contamination or exposure to hazardous substances.

## **Related Policies**

Participation in Hazardous Business – Policy 9.

## **POLICY 9: Participation in Hazardous Business**

**The Company's prospective businesses may involve:**

- **Products or services which could lead to substantial financial liability and adverse publicity for alleged harm to health or the environment, or;**
- **Projects or processes which by their very nature pose a severe threat to public safety and health or could lead to catastrophic harm to property or the Company's reputation ('hazardous business activities').**

**Such hazardous business activities, however, may be important to the public in contributing to technological leadership or standard of living. Provided that the risks associated with such hazardous business activities can be controlled to an acceptable level, consistent with societal norms, it may be appropriate for the Company to enter into or continue to conduct such hazardous business activities. Involvement in tank containers, other than high-hazardous cargo tank containers, meeting all appropriate safety standards does not constitute participation in hazardous business.**

**This Policy is designed to provide guidance to Company employees in assuring careful consideration of the risks and the interests of both the public and the Company in decisions to enter or continue hazardous business activity.**

### **Requirements**

Commit to substantial involvement in hazardous business activity only after the Board of Managers of the Company has reviewed and approved the matter.

When the risk is warranted, the Board of Managers may authorise participation in new hazardous business activities or authorise changes to existing hazardous business activities that increase the risk level if the risks have been analysed and can be appropriately managed.

### **Employee responsibilities**

Promptly report concerns about possible violations of this Policy to your manager. The Company shall not participate in any hazardous business activity without the express approval of the Company's Board of Managers.

### **Related Policies**

Health, Safety and Environmental Protection – Policy 8

## **POLICY 10: Financial Controls and Records**

**The Company must properly record, preserve and report financial information. The Company must maintain accurate, reasonably detailed records which fairly reflect the Company's transactions and disposition of assets and maintain a system of internal accounting controls. This Policy describes the high standards that we maintain for meeting those responsibilities. The Company's record-keeping and reporting must be consistent to provide a uniform basis for measuring, managing and reporting Company operations.**

### **Requirements**

Follow generally accepted accounting principles, standards, laws, regulations and Company practices for accounting and financial reporting as may be established by the Board of Managers of the Company.

Only release financial information outside the Company upon proper authorisation and after consideration of the interests of the Company as a whole.

Maintain complete and accurate records and accounts to reflect transactions and the disposition of assets.

### **Employee responsibilities**

Follow all accounting, reporting and control procedures established by the Company's Chief Financial Officer or his or her delegates.

Be accurate, timely and complete in preparing and maintaining records and reports required by management.

Before signing a document, make a reasonable inquiry to make sure the information contained in it is accurate and complete.

Before involving the Company in any transaction or releasing any financial information, obtain all required management approvals and adequately document them.

Keep records secure, including computer-based information resources.

Give Company auditors and other authorised individuals access to your department's records, and provide them with accurate and complete information, as they require.

Take prompt remedial action when required.

Promptly report any concerns about possible violations of this Policy.



## **Additional responsibilities of leaders**

Set up accounting, financial reporting, financial control, and information systems to provide reasonable assurance that:

- accountability for assets is established, assets are adequately protected, the effectiveness of routines to safeguard assets is confirmed periodically, and any significant weakness in these activities is corrected promptly
- transactions involving the Company are appropriately authorised, and adequate records are maintained and appropriate reports are made with respect to such transactions
- adequate records are maintained and appropriate reports are made of other events which result in acquisition or disposition of assets or the incurrence or satisfaction of liabilities
- financial statements and reports, issued for the Company and its individual organisation components, present fairly their financial position, the results of their operations, and/or other financial data in conformity with generally accepted accounting principles appropriate in the circumstances and with other applicable requirements.

The Company's Chief Financial Officer will:

- Establish and maintain accounting procedures, financial reporting and control routines, and the internal audit programme for the Company;
- Represent the Company's share owner interest with respect to the financial and accounting practices of controlled affiliates;
- Nominate and approve candidates for designated financial management positions, where they will be functionally responsible to the Company's Chief Financial Officer, who will remove them if in his or her opinion they prove unqualified.

Financial managers are responsible to the Company's Chief Financial Officer for complying with Company Policies and applicable Company procedures.

## **Related Policies and procedures**

This Policy may relate to many other Company Policies and procedures, among them:

Improper Payments – Policy 1

Following International Trade Controls – Policy 2

Working with Government Agencies – Policy 5

## **POLICY 11: Avoiding Conflicts of Interest**

**Our Company recognises and respects the right of employees to take part in financial, business and other activities outside their jobs. However, those activities must be lawful and free of conflicts with their responsibilities as Company employees. Employees must not misuse Company resources or influence, or discredit the Company's good name and reputation.**

### **Employee responsibilities**

Follow the law, Company Policies and your own good conscience in all personal and business dealings outside your job.

Avoid actions or relationships which might conflict or appear to conflict with your job responsibilities or the interests of the Company.

Before accepting any position as an officer or director of an outside business concern:

- consider the advantages and disadvantages to the Company including the appearance of possible conflicts
- consider your responsibilities as a director as specified by law and regulations
- obtain approval as noted in the leaders' responsibilities section of this Policy.

If a potential conflict of interest involves you, report it in writing to your own manager as well as Company legal counsel or finance manager.

### **Additional responsibilities of leaders**

Employees must obtain Company approval before accepting a position as an officer or director of an outside business concern.

If approved, the Company will consider the need for periodic reviews to determine if the approval should be continued.

When possible conflicts of interest are reported, take timely remedial and investigative action, including notifying Company legal counsel and finance manager.

### **Examples of issues requiring management or Board of Managers approval**

Holding financial interest in a Company to which you give business.

Directing business to a supplier managed by a relative or close friend.

Taking a part-time job requiring you to spend time on it during your normal Company working hours or to use Company office equipment in meeting your responsibilities.

Making a promotion or hiring decision about a spouse or relative.

## **Related Policies**

Improper Payments – Policy 1

Following the Anti-trust Laws – Policy 6

Insider Trading and Stock Tipping – Policy 12

Supplier Relationships – Policy 3

## POLICY 12: Insider Trading and Stock Tipping

**Our Company is committed to the principles of fair and open markets for publicly traded securities – where everyone has an equal chance to succeed. Accordingly, this Policy establishes standards of conduct for employees and others who obtain material non-public information (inside information) through their work for the Company. Its requirements include full compliance with the laws prohibiting insider trading and stock tipping.**

**Insider trading generally involves buying or selling securities while in possession of inside information to get a personal trading benefit. Similarly, most stock tipping violations involve disclosing inside information, often to a relative, colleague or friend, to obtain an indirect personal benefit by enabling the recipient to buy or sell securities on the basis of such information. This Policy sets forth guidelines designed to avoid even the appearance of insider trading or tipping. It is not meant to restrict the freedom of employees to make appropriate personal investments, or the Company's right to legitimately use and disclose inside information in the ordinary conduct of its business.**

### **Responsibilities of all employees**

Never buy or sell the securities of any company while you have inside information regarding that company.

Never recommend or suggest that anyone else buy, sell, or retain the securities of any company while you have inside information regarding that company.

Never disclose inside information to anyone outside the Company (including family members), except when you reasonably believe such disclosure is needed to enable the Company to carry on its business properly and effectively, and you have no reason to believe the information will be misused or improperly disclosed by the recipient.

Within the Company, only discuss or distribute inside information in the ordinary course of business and when you have no reason to believe that the information will be misused or improperly disclosed by the recipient.

Familiarise yourself and comply with any requirements concerning insider trading that are imposed by local law.

### **Definitions, guidelines and examples**

The following definitions and guidelines apply solely for the purpose of implementing this Policy.

Inside information means material non-public information obtained in connection with Company employment.

Information is material if there is a substantial likelihood that a reasonable investor would consider it important in deciding whether to buy, sell, or retain a security, such as a stock, bond, or put or call option.

## Guidelines

**To minimise the risk of misjudging whether reasonable investors would consider particular information to be important, you should assume the information would be important if it affects in any way your own consideration of whether to buy or sell the security in question.**

A significant departure from your customary trading practices following your receipt of inside information could also be viewed as evidence of the materiality of the information.

Any information may be material regardless of whether it is developed internally or obtained from others (e.g., current or prospective customers, suppliers or business partners). Also, material information may relate to the securities of any company.

## Examples

Inside information relating to the Company or to one of its suppliers, customers or other business partners may include non-public information concerning a pending merger, acquisition, disposition, joint venture, substantial contract award or termination, major lawsuit or claim, earnings announcement or change in dividend policy, significant product development, the gain or loss of a significant customer or supplier, or the filing of a bankruptcy petition by any company.

- Information is non-public when it is not available to investors generally.

## Guidelines

Information is generally considered to be non-public until it has been disclosed to the investing public and the market has had time to absorb it.

Many authorities feel individuals possessing material non-public information should refrain from trading in the affected security for some period of time (at least 48 hours) after the information is made public.

Do not assume that information or recommendations you receive about a particular security is public if it comes from a friend or colleague, particularly if there is any indication that the ultimate source of the information may have been an insider.

Unless there is reason to believe otherwise, you may assume that recommendations or information from a legitimate securities broker is publicly available. You should be free to buy or sell securities on the basis of such recommendation or information.

## Example

Say you learn in the course of your work that the Company is considering buying a certain company, or considering entering into a major purchase contract with a supplier. You should assume the information is non-public until after the public media have reported the transaction and the market has had time to assimilate the information.

Securities are defined broadly to include any stock, bond, note, debenture, put or call option, or other instrument commonly known as a security.

## **Guidelines**

Most authorities believe the practice of buying or selling exchange-traded options (i.e., puts or calls) is particularly susceptible to insider trading abuse, especially when such option trading is not consistent with the individual's customary trading practices.

Generally, you will have no reason to believe that inside information will be misused or improperly disclosed by the recipient if you disclose information in good faith and under circumstances that do not suggest that improper conduct by the recipient is likely.

The factors that are relevant to determining whether someone who disclosed inside information should have known that the disclosure was likely to lead to improper trading include the market sensitivity of the information, the degree of business justification for the disclosure, and the relationship between the individual disclosing and the individual receiving the information.

You should exercise good faith and common sense in determining whether to disclose inside information to others. If questions arise, you should not hesitate to consult Company legal counsel before making the disclosure.

## **Related Policies**

Avoiding Conflicts of Interest – Policy 11  
Financial Controls and Records – Policy 10