

# Magusa Logistics

## Code of Corporate Conduct and Ethics

### ***About the Code of Corporate Conduct and Ethics.***

At Magusa Logistics, every one of us is committed to honesty, integrity and fairness – toward each other and toward our customers, suppliers and the communities in which we operate. Our character as an ethical company is reflected in our Code of Corporate Conduct and Ethics (the “Code”); it is a clear statement of who we are. We all must continue to dedicate ourselves to the highest ethical standards.

The Code is meant to be a guide to ethical decision-making for all of us here at Magusa. All of us at Magusa are accountable for following the Code. Violators of this Code, or any of the policies referenced in it, may be subject to disciplinary action, up to and including dismissal.

### **Compliance with Laws and Regulations**

It is Magusa’s policy to be a good corporate citizen. Wherever we do business, we must always comply with the laws and regulations that govern our business activities.

### **Reporting a Potential Violation**

Each of us is responsible for contributing to the integrity of Magusa. If we are not sure about a situation, or if we believe that our own conduct or that of another employee may have violated our Code of Conduct, we are required to speak up promptly.

Tell your supervisor or another Company manager if you are aware of any activities that you believe may be unethical, dishonest or illegal.

### **Non-Retaliation Policy**

Magusa will not take any disciplinary or retaliatory action against anyone for reporting possible violations of the Code, Company policies or the law in good faith.

# ***Our Commitments to the Company***

## **Conflicts of Interest**

As Magusa employees, one of the many ways that we demonstrate our commitment to the Company is by avoiding all situations where our personal interests could conflict or even appear to conflict with the best interests of Magusa or its shareholders. Conflicts of interest may arise when our position or responsibilities with the Company present an opportunity for personal gain apart from our normal compensation. Whenever we have a conflict of interest or potential conflict of interest, we must disclose it. In some cases, disclosure – and subsequent approval – are sufficient to resolve the appearance of conflict.

Examples of conflict of interest include:

- Having a financial interest in an enterprise that does business with Magusa
- Having a significant investment in another business that competes directly with Magusa
- Conducting outside business with the Company, such as selling services to Magusa, selling or leasing property to Magusa, etc.

## **Gifts and Entertainment**

In many cases, it is a conflict of interest for a Magusa employee to accept gifts or entertainment from people or companies doing business – or seeking to do business – with Magusa. This would include:

- Accepting or soliciting gifts or money under any circumstances
- Accepting non-monetary gifts of more than nominal value, e.g., anything valued over US\$150 in the U.S., or the equivalent in other currencies, unless protocol, courtesy or other special circumstances exist. In such a case, the gift must be reported to management, who will determine whether the gift may be kept or must be returned.
- Soliciting non-monetary gifts, gratuities or any other personal benefit or favor of any kind.
- Encouraging or soliciting any form of entertainment.

Magusa employees may accept unsolicited, non-monetary gifts from individuals or companies doing or seeking to do business with Magusa, provided such a gift is of nominal value, or is advertising or promotional material such as a baseball hat, an inexpensive pen or a plastic keychain containing a company logo.

Further, we may both offer and accept entertainment, but only if the entertainment is reasonable, occurs infrequently, and does not involve lavish expenditures. Also, please remember that when we as Magusa employees offer appropriate entertainment to others, we must always accurately document all associated expenses. We must also confirm that any gift or entertainment that we offer to customers, suppliers, or other business partners does not violate their companies' policies or Code of Conduct.

## **Hiring Relatives**

While Magusa does not prohibit hiring family members of employees, the Company must always be careful to avoid any appearance of a conflict of interest or favoritism. For this reason, Magusa requires all new job applicants to identify current employees of the Company, if any, who are family members.

## **Keeping Accurate Books and Records**

### **Financial Reports and Internal Controls**

Magusa is committed to make and keep books, records and accounts that accurately and fairly reflects its transactions and prepare financial statements in accordance with generally accepted accounting principles based on those records. Magusa is also committed to maintain a system of appropriate internal controls. Magusa will also maintain tax records and prepare tax returns that comply with the law. Further, Magusa must maintain accurate and complete records in all other aspects of its business which are in compliance with all applicable legal requirements.

## **Using and Protecting Company Assets**

### **Use of Corporate Funds and Assets**

We demonstrate our commitment to the Company by protecting Magusa's assets and using them appropriately. We must all take responsibility for safeguarding the Company's assets and ensuring that they are not carelessly revealed or misused for any purpose.

Examples of misuse of assets include:

- Any use that involves personal gain for Magusa personnel.
- Any unauthorized sharing of Company assets with others outside of Magusa, or even within Magusa when no need exists.

### **Using Computers, Communication Equipment and Other Technical Resources**

Magusa makes every effort to provide the best available technology to those performing services for the company. We must be respectful of the fact that all Company systems – including computers, electronic mail, voice mail, telephones, copiers, etc. – are property of Magusa and are intended for business use. The Company, where permitted by law to do so, may periodically exercise its right to monitor, access, or otherwise control the hardware, storage devices or data that make up such systems.

We also should not share e-mail passwords, provide e-mail access to any unauthorized user or access another user's e-mail box without authorization. In general, it is our responsibility to ensure that our own passwords and other access codes are secure.

### **Disclosure of Confidential Information**

Each of us, in the course of our employment at Magusa, have access to confidential information about the Company, its services, customers, suppliers or competitors. Such information should not be disclosed to other Magusa personnel who do not have a business need to know.

We must also safeguard confidential information against accidental or intentional sharing with non-Magusa personnel for any reason, except as may be required for Company business reason and approved by an officer.

# ***Our Commitments to Each Other***

## **Creating a Positive Workplace**

We demonstrate our commitment to each other by creating a positive workplace. Respect and fairness are key values at Magusa; these values should govern all of our daily interactions with one another.

We all, therefore, have the right to be treated with fairness and respect, and the obligation to treat others similarly. It is especially important, in this regard, that the following guidelines be carefully observed.

## **Equal Employment Opportunity**

Magusa provides equal employment opportunity to everyone, as required by law. In all employment decisions, including recruitment, hiring, placement, promotion, compensation, training, discipline and dismissal, Magusa must afford equal opportunity to all, without regard to race, color, religion, sex, national origin, age, military veteran status, or any other classification considered to be protected by law. Reasonable accommodations for individuals with physical or mental disabilities will be made, as required by applicable laws.

## **Anti-Harassment Policy**

Magusa maintains a zero tolerance policy toward harassment, from which none of us are exempt. We must never, therefore, engage in any conduct that could offend any person, particularly when based upon an individual's:

- Ethnicity, race or color
- Age
- Religious beliefs
- Sex or gender
- Physical or mental disabilities
- Sexual orientation
- National origin

This includes any verbal or written comments or threats, offensive visual representations, e.g. indecent drawings or cartoons or inappropriate physical conduct. This, of course, includes verbal, written or visual communications transmitted by telephone or computer.

Magusa prohibits all forms of unlawful harassment, whether it is initiated by Magusa personnel or by non-Magusa personnel (such as visitors, contractors, customers or vendors). Appropriate disciplinary action will be taken promptly against any individual found to have engaged in any forms of unlawful harassment. We should all be aware that discipline – up to and including dismissal – may result.

We are all responsible for helping to assure that all forms of harassment are avoided. If you believe you have experienced or witnessed harassment, you are encouraged to report it.

## **Environment, Health, Safety and Security**

We demonstrate our commitment to each other by taking responsibility to ensure that our work environment is safe, healthy and secure. This means accomplishing all of our tasks in a manner that complies with the laws that are designed to eliminate unreasonable risks in these areas.

We are committed to complying with all laws – as well as Company policies – regarding the health and safety of every member of the Magusa team.

We are each responsible for advising management of any potential environmental or safety hazards, so that prompt corrective action can be taken. Remember that speaking up about any of these issues is both a right and a duty.

### **Safety**

The safety of all of our employees is a top priority at Magusa, and providing a safe working environment for everyone is of the most utmost importance to the Company.

Like so much else we do, security is everyone's responsibility. This means, for example, that if we see anything out of the ordinary, such as someone we don't know behaving in a suspicious manner, we must notify management. Likewise, when we leave our work area, it is our responsibility to ensure that all confidential documents being discarded are disposed of properly.

## ***Our Commitments in the Marketplace***

### **Dealing Fairly with Customers and Suppliers**

We demonstrate our commitments in the market place by conducting ourselves and the Company's business with honesty and fairness. Conducting business with suppliers and customers can pose ethical or even legal problems. The following guidelines are intended to help us make the right decision in potentially difficult or confusing situations.

### **Giving or Receiving Bribes, Kickbacks or Improper Payments**

We must never, directly or indirectly, offer bribes, kickbacks, improper payments (including payments violating foreign exchange or tax laws of any country that governs the Company's activities), or any other such promise by or on behalf of Magusa. This includes any gifts, gratuities or business entertainment in excess of customary, reasonable and appropriate practices, or in return for some favorable decision or action by the recipient.

Likewise, purchases by Magusa, or sales of services to Magusa, must not result in the receipt of personal kickbacks, rebates or any other payments. We – and members of our families – must never accept anything in return for purchasing decisions we make, whether such rewards are in the form of money, property or services.

### **Payments to Agents, Representatives or Consultants**

It is critical that we ensure that all agreements with agents or other representatives and consultants are in writing and that they clearly and accurately set forth the services to be performed, the basis for earning the commission or fee involved, and the applicable rate or fee. Payments must be reasonable in amount, not excessive in light of the practice in the trade, and appropriate to the services rendered. The agent, sales representative or consultant should be aware that the agreement may be publicly disclosed and should agree to such public disclosure. In some countries, local laws may prohibit the use of intermediaries or limit the rate of commission or fee.

### **Respecting the Intellectual Property and Confidential Information of Others**

Just as we always strive to protect intellectual property and confidential information belonging to Magusa, we must also be respectful of the intellectual property rights and confidential information of other parties.

### **Confidential Information of Other Parties**

In the course of doing business, we may, from time to time, acquire confidential information about our customers, suppliers or others. We must always safeguard such confidential information as diligently as we would if it were our own.

### **Intellectual Property**

Intellectual Property is a term that describes creative works in which authors and inventors have legal rights. Copyrights, patents, trade secrets and trademarks all belong to this category. Copyright infringement occurs when copies or other reproductions of printed material are made for commercial use without authorization. Another case of copyright infringement is the unauthorized copying of computer software. Infringements of copyrights can subject both Magusa and any personnel to serious legal consequences.

# ***Our Commitments in the Global Arena***

## **Doing Business Globally**

### **Making Payments to Foreign Officials**

Magusa is subject to the U.S. Foreign Corrupt Practices Act (FCPA) and other similar anti-bribery provisions in other countries. The broad language of FCPA is, among other things, intended to make it a crime to bribe foreign government officials, candidates or political parties in order to obtain or retain business, or to gain some other financial or commercial advantage. Payments to customer representatives at government-owned enterprises are also prohibited. The only exception to this FCPA prohibition is for “facilitating payments” to low level, non-U.S. officials. These payments are for the performance of functions or services that they are in fact obligated to perform as part of their ministerial government responsibilities, not for awarding business or contracts. These payments can only relate to the performance of routine, nondiscretionary government functions such as issuance of routine licenses or provisions of phone service, power and water. The exception for facilitating payments applies to small sums paid to low level officials. Where such payments may appear unavoidable as a practical matter, we must consult with management for guidance. Local laws frequently prohibit such payments.

### **Making Payments to Customer Representatives**

In many countries, making payments to customer representatives to obtain or retain business is prohibited by local laws. In addition, the failure to accurately record these payments in Magusa’s financial books could violate record keeping requirements of the FCPA and other accounting provisions.

### **Requests for Payments Outside of Payee’s Country of Residence**

We must be careful about any requests by payees for payment of fees or commissions to the payee’s account in a country other than the payee’s residence or place of business. Such payments may not be made unless approved in writing by management. Employees should be aware that making such payments could implicate Magusa in aiding or conspiring in the payee’s violation of tax, currency control or other laws.

## **Money Laundering**

Magusa is committed to complying with all applicable anti-money laundering and currency reporting laws. We must also be vigilant to avoid being used by money launderers to dispose of or hide the source, ownership or control of illicit funds.

It is our commitment that we will:

- Not conduct business with any enterprise or person known or reasonably believed to be involved in narcotics trafficking, money laundering or other criminal activities;
- Comply fully with all applicable anti-money laundering laws and currency reporting requirements;
- Refuse to conduct transactions if it is known or suspected that a transaction is being conducted to avoid applicable currency reporting requirements or with the proceeds of criminal activity;
- Refer suspicious activity promptly to management for a determination of whether the activity is indicative of known or suspected money laundering.

## **Global Security**

Magusa recognizes the complexity of international supply chains and the potential vulnerability to malicious activities such as terrorism, smuggling or concealment of weapons, including weapons of mass destruction. As such Magusa is committed to the adoption of security measures to minimize the risk of those malicious activities.

Magusa will periodically identify the risks to the supply chain, assess current practices and determine effective controls throughout the movement of cargo. The company will work closely with customers and vendors to ensure the supply chain cannot be compromised.

The company will adopt the guiding principles for security provided by the Customs-Trade Partnership Against Terrorism (C-TPAT), and will work closely with U.S. Customs and Border Protection and other international agencies to communicate any detection of malicious activity.

## ***Conclusion***

Doing the right thing is not always easy. Sometimes we know clearly what the right action would be, but circumstances make it difficult to do it. In other cases, the challenge is to understand the complexities of a situation well enough to understand what the right action will be.

This Code is designed to give us tools to determine how best to conduct ourselves in a variety of business situations, and to provide us with resources when we are still unsure.