

## Asociación Latinoamericana de Seguridad ALAS

### Code of Ethics and Standards of Conduct

The Asociación Latinoamericana de Seguridad, Inc. (“ALAS” or the “Corporation”) is a not-for-profit Corporation committed to serving the public with high quality products and services that help protect lives and property through security and safety equipment and services. The ALAS Code of Ethics and Standards of Conduct (collectively the “Code”) is intended to assist ALAS members (including Chapters) and employees in providing these products and services to the public in a highly ethical manner.

This Code is intended to provide guidance for ALAS members and employees in the ethical conduct of business. ALAS expects its members and employees to meet or exceed the guidelines set forth in this Code. Members and employees are encouraged to implement policies and procedures that provide the highest standards of quality and consumer protections. In addition, if there is a conflict between this Code and any state, federal, and/or local rule or regulation, the controlling rule or regulation supersedes this Code. Members and employees should interpret this Code as broadly as possible to protect all impacted groups to the greatest extent possible.

This Code is binding on all members and employees of ALAS, as well to third parties as described below. Failure to comply with this Code may result in disciplinary action, including but not limited to termination of ALAS membership. Members, employees and third parties are required to respond truthfully and accurately to all inquiries made by ALAS during an investigation into a potential violation of this Code.

#### **I. INTRODUCTION**

ALAS has issued one set of policies to implement its Code and to help ALAS members and employees around the world take a consistent approach to key integrity issues. This booklet contains basic information about each of our policies. The underlying responsibilities of all employees and leaders, penalties for violations and how to handle an integrity concern are described in this introduction.

##### **1. The Code should be observed and complied by the following persons and entities:**

- (a) ALAS members
- (b) ALAS employees. The Code shall be applied to all employees of the Corporation and its Chapters throughout the world.
- (c) ALAS Chapters
- (d) Third parties. All ALAS businesses must require that others representing ALAS – such as consultants, agents, sales representatives, distributors and independent contractors – agree to follow applicable ALAS Code.

## **2. Leaders and employees must:**

- (a) Identify those persons and companies outside ALAS whose activities on behalf of ALAS may involve issues covered by the Code.
- (b) Require those persons and companies to agree to comply with relevant aspects of the Code.
- (c) Provide those persons and companies with appropriate education on the requirements imposed by the Code.
- (d) Take necessary action, up to and including terminating a contract with anyone representing ALAS, after learning that the person failed to honor his or her agreement to abide by the Code.

## **3. Applicable Law**

ALAS conducts business in many countries around the world, mainly in Latin America. Our employees are citizens of many different countries. As a result, our operations are subject to the laws of many countries, provinces, states, municipalities and organizations.

An important challenge for all of us is to understand how these laws may apply to our operations. ALAS, is a corporation duly organized and incorporated in the United States.

In the policies that follow, the references to the laws of the United States and the other countries where we ALAS does business reflect the reality that their Chapters are regulated by many different laws at the same time. In some instances, there may be a conflict between the applicable laws of two or more countries. When such a conflict is encounter, it is especially important to consult the Corporation legal counsel to understand how to resolve that conflict properly.

## **4. Employee responsibilities**

Although the Code establishes specific responsibilities, there must be followed these basic obligations common to all policies:

- (a) Learn the details of policies dealing with your work. No one expects you to know all policies word for word. You should have a basic understanding of issues covered by each policy, and you should have a detailed understanding of policies that apply to your job.
- (b) Seek assistance from your manager, Corporation or Chapter legal counsel, or other ALAS resources when you have questions about application of the policies.
- (c) Promptly raise any concern that you or others may have about possible violations of the Code, or about a possible request that you believe might violate the Code.
- (d) Understand the many options you have for raising integrity concerns. You may raise them with a ALAS member of the Board of Directors, or, if you prefer, with the Corporation legal counsel,

ALAS auditor, or other ALAS compliance specialist. Your communication may be written or oral, and it may be anonymous.

- (e) If you raise an integrity concern and the issue is not resolved, raise it with one of the other contacts listed above.
- (f) Cooperate in ALAS investigations into concerns about the Code.

**ALAS prohibits any employee from retaliating or taking adverse action against anyone for raising or helping to resolve an integrity concern.**

## **5. Leadership responsibilities**

The obligations of ALAS leaders go beyond those required of all employees. Leaders in our Corporation are expected to:

- (i) Build and maintain a culture of compliance by:
  - (a) Personally leading compliance efforts through frequent meetings with direct reports and regular monitoring of compliance matters and programs.
  - (b) Leading by example, using their own behavior as a model for all employees.
  - (c) Making sure that employees understand that business results are never more important than compliance.
  - (d) Encouraging employees to raise their integrity questions and concerns.
  - (e) Using employee actions and judgments in promoting and complying with the Code as considerations when evaluating and rewarding employees.
- (ii) Prevent compliance problems by:
  - (a) Ensuring that compliance risks associated with the business processes under the leader's management are systematically identified.
  - (b) Ensuring that policies and procedures, tailored to the particular risk areas faced by a business, are issued and communicated.
  - (c) Identifying for each ALAS policy those employees, Chapters and third parties who represent the Corporation whose activities may involve issues covered by that policy.
  - (d) Providing education and legal counseling to ensure that employees, Chapters and, where appropriate, third parties understand the requirements of the Code and applicable law.

## **6. Penalties for violations**

Employees and members who violate the Code are subject to disciplinary action up to and including termination of employment or expulsion as applicable through the Board of Directors appointed Subcommittee of Compliance. The following are examples of conduct that may result in discipline:

- (a) Actions that violate the Code.
- (b) Requesting others to violate the Code.
- (c) Failure to promptly raise a known or suspected violation of the Code.
- (d) Failure to cooperate in ALAS investigations of possible violations of the Code.
- (e) Retaliation against another employee for reporting an integrity concern.
- (f) Failure to demonstrate the leadership and diligence needed to ensure compliance with the Code and applicable law.

**Violation of the Code can also mean breaking the law, subjecting you or the company to criminal penalties (fines or jail sentences) or civil sanctions (damage awards or fines).**

## **II. WORKING WITH CUSTOMERS & SUPPLIERS**

ALAS and its Chapters will do business only by lawful and ethical means. When working with customers and suppliers in every aspect of our business, we will not compromise our commitment to integrity.

This section offers a summary of five ALAS policies that relate to the ways that our company interacts with customers and suppliers:

- Improper Payments
- International Trade Controls
- Money Laundering Prevention
- Privacy
- Supplier Relationships
- Antitrust Compliance

### **1. Improper Payments**

- (a) Overview

ALAS members and employees should not offer anything of value to obtain any improper advantage in selling goods and services, conducting financial transactions or representing the Corporation's interests to governmental authorities. This policy sets forth ALAS's standards of conduct and practices for certain kinds of payments, entertainment and political contributions.

ALAS must not authorize, 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. All countries prohibit the bribery of their own public officials, and many also prohibit the bribery of officials of other countries.

ALAS' policy goes beyond these laws and prohibits improper payments in all of our activities, both with governments and in the private sector.

(b) Core Requirements

- (i) Never give, offer, or authorize the offer, directly or indirectly, of anything of value (such as money, goods or a service) to a customer or government official to obtain any improper advantage. A business courtesy, such as a gift, contribution or entertainment, should never be offered under circumstances that might create the appearance of an impropriety. 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 to the execution of a contract.
- (ii) Never give a gratuity or other payment to government officials or employees to expedite a routine administrative action without consulting with the ALAS upper management or the Corporation legal counsel.
- (iii) Never contribute company funds or other company assets for political purposes in the United States without the prior approval of ALAS Board of Directors or related Subcommittee. Never contribute company funds or other company assets for political purposes outside the United States without the approval of ALAS Board of Directors or related Subcommittee.
- (iv) Require any person or firm who represents ALAS (such as a consultant, agent, sales representative, distributor or contractor) to comply with this policy and related laws.
- (v) Exercise due diligence when selecting persons or firms to represent ALAS.

(c) Be precautionous of:

- (i) Any person or firm representing ALAS or being considered to represent ALAS who:
  - Has been accused of improper business practices.

- Has influence on the buying decision and a reputation for bribes.
  - Has a family or other relationship that could improperly influence the decision of a customer or government official.
  - Approaches you near an award decision and explains that he or she has a “special arrangement” with a government official or the customer.
  - Insists on receiving a commission payment before the announcement of the award decision.
- (ii) Any person who suggests that an ALAS bid be made through a specific representative or partner.
- (iii) Any request that a commission or other payment be made in a third country or to another name.
- (iv) A commission that seems large in relation to the services provided

## **2. International Trade Controls**

### (a) Overview

Many countries regulate international trade transactions, such as imports, exports and international financial transactions, for a variety of reasons, including national security and foreign policy. In addition, the United States prohibits any cooperation with boycotts against countries friendly to the United States or against firms which may be “blacklisted” by certain groups or countries.

### (b) Core Requirements

- (i) Follow relevant international trade control regulations, including licensing, shipping documentation, import documentation, reporting and record retention requirements of all countries in which you conduct business or in which your business is located. In some cases, these restrictions will apply to international trade in goods, technology, software and services as well as to financial transactions.
- (ii) Learn and understand the extent to which U.S. trade controls apply to transactions conducted by your business, even outside the United States.
- (iii) Make sure all international transactions are screened against all applicable laws and regulations that restrict transactions with certain countries and persons.

- (iv) Do not cooperate with any restrictive trade practice or boycott prohibited or penalized under U.S. or applicable local laws. Make sure you tell your manager about all boycott-related requests, including requests for information.
- (v) Consult with company legal counsel or your manager in any transaction in which a conflict arises between U.S. law and the law of another country or region, such as the laws blocking certain U.S. restrictions adopted by Canada, Mexico and the members of the European Union.
- (vi) Understand which party to the import transaction bears legal responsibility for the accuracy of import documentation. Where ALAS bears legal responsibility, establish procedures to monitor and verify the accuracy and completeness of information presented to government authorities by ALAS or by ALAS' agents. Where an agent or customer is the responsible party, ensure that ALAS provides the full and accurate information the other party needs to complete import documents.

(c) Be precautionous of:

In all transactions:

- (i) Unfamiliar customer without convincing references.
- (ii) Unusual transaction or application for this consignee, customer, end use or location.
- (iii) Evasive, reluctant or otherwise unsatisfactory answers by a customer to questions about end use, end user, delivery dates or delivery locations.
- (iv) Unusually favorable payment terms.
- (v) Lack of concern for normal training and warranty service.
- (vi) Freight forwarder listed as ultimate consignee.
- (vii) Abnormal packing, marking or routing of goods.
- (viii) Unusual security or safety measures.
- (ix) Links to the military that seem inappropriate to the stated business or to the transaction.
- (x) Involvement of parties related to countries engaged in the development of biological, chemical or nuclear weapons, or ballistic missiles.
- (xi) Transactions involving an embargoed country, a citizen or representative of an embargoed country or an individual or entity subject to government sanction

In Importation:

- (i) An invoice price that does not reflect the full value of the imported goods.
- (ii) Any payment to the exporter or benefiting the exporter that is not included in the invoice price or otherwise reported to customs authorities.
- (iii) Transfer prices between related parties that fail to cover all costs and profits.
- (iv) Inaccurate or incomplete invoice description of the imported goods.
- (v) Inaccurate identification of country of origin of the imported goods.
- (vi) Use of an import tariff classification that does not appear to be an accurate description of the imported goods.
- (vii) Entry of goods under a preferential duty program (GSP, NAFTA, ASEAN FTA, return of domestically manufactured goods, etc.) without supportive procedures that assure compliance with program requirements.

### **3. Money Laundering Prevention**

#### **(a) Overview**

People who are involved in criminal activity (for example, narcotics trafficking, bribery, fraud) may try to “launder” the proceeds of their crimes to hide them or to make those proceeds appear legitimate.

More than 100 countries now have laws against money laundering which prohibit the acceptance or processing of the proceeds of criminal activities.

ALAS is committed to complying fully with all applicable anti-money laundering laws throughout the world. ALAS will conduct business only with reputable customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. Each ALAS member or Chapter is required to implement a due diligence procedure and to take reasonable steps to ensure that the company does not accept forms of payment that have been identified as means of laundering money.

#### **(b) Core Requirements**

- (i) Comply with all applicable laws that prohibit money laundering and that require the reporting of cash or other suspicious transactions. Understand how both types of laws apply to your business.
- (ii) Follow the due diligence procedure to obtain enough information and documentation about prospective customers, joint venture partners and affiliates to ensure that they are involved in legitimate business activities and that their funds come from legitimate sources.

- (iii) If you encounter a warning sign, raise your concern with the Corporation legal counsel and be sure to resolve your concern promptly before proceeding further with the transaction. Resolution should include management review and should be well documented.

(c) Be precautionious of:

- (i) A customer, agent or proposed joint venture partner who is reluctant to provide complete information, provides insufficient, false or suspicious information, or is anxious to avoid reporting or record-keeping requirements.
- (ii) Payments by use of monetary instruments that are not consistent with the business activities of the client, appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms.
- (iii) Requests by a customer, agent or proposed joint venture partner to pay in cash.
- (iv) Early repayment of a loan in cash or cash equivalents.
- (v) Orders or purchases that are unusual or inconsistent with the customer's trade or business.
- (vi) Unusually complex deal structures, payment patterns that reflect no real business purpose, or unusually favorable payment terms.
- (vii) Unusual fund transfers to or from foreign countries unrelated to the transaction.
- (viii) Transactions involving locations that have been identified as tax havens or areas of known money laundering activity.
- (ix) Structuring of transactions to evade record-keeping or reporting requirements (for example, multiple transactions below the reportable threshold amounts).
- (x) Wire transfer activity that is not consistent with the business activities of the customer or that originates or terminates with unrelated parties to the transaction.
- (xi) Requests to transfer money or return deposits to a third party or to an unknown or unrecognized account

## 4. Privacy

### (a) Overview

In our increasingly information-based society, individual consumer, medical, financial and other sensitive personal information must be adequately protected. ALAS is committed to protecting personal information that we collect from or maintain about individual consumers. Each member and employee must take care to protect individually identifiable consumer information and other sensitive personal information from inappropriate or unauthorized use or disclosure, and each Chapter must implement fair and responsible privacy and information protection procedures and take reasonable steps to ensure compliance with such procedures.

### (b) Core Requirements

- (i) Comply with all applicable privacy and data protection laws, regulations and treaties.
- (ii) Provide individual consumers, as required by law or by your business' privacy policies, with:
  - notice of relevant privacy policies.
  - descriptions of the types of information being collected and the uses to be made of the information.
  - access to the information for verification and correction.
  - security for the information.
- (iii) Learn and follow ALAS' implementing procedures for privacy and data protection. Pay particular attention to the protection of individual consumer information, medical and financial records, and other sensitive personal information, such as information from or about children.
- (iv) Do not acquire, use, or disclose individual consumer information in ways that are inconsistent with your business' privacy policies or with applicable laws or regulations.
- (v) If you have access to individual consumer information, use that information only for authorized business purposes.
- (vi) Keep secure your business' records of individual consumer information, including computer-based information.
- (vii) Consult with legal counsel before establishing or updating any system, process, or procedure to collect, use, disclose, or transmit individual consumer information, medical or financial records, or other sensitive personal information.

### (c) Be cautious of:

- (i) Business or marketing plans that involve the inappropriate or unauthorized collection, use or disclosure of individual consumer information.
- (ii) Privacy policies or notices that are inaccurate or out-of-date.
- (iii) Disclosures of (or requests to disclose) individual consumer information, particularly sensitive personal information, to unaffiliated third parties who are not properly authorized to receive the information.
- (iv) Transfers of individual consumer information to third parties, such as vendors or suppliers, who lack appropriate security safeguards or appropriate restrictions regarding their use of the information.
- (v) Transfers of individual consumer information between countries.
- (vi) Inadequate information security controls, such as those that could permit unauthorized access to individual consumer information.

## **5. Supplier Relationships**

### **(a) Overview**

ALAS bases its relationships with suppliers on lawful, efficient and fair practices. We also expect our suppliers to adhere to applicable legal requirements in their business relationships, including those with their employees, their local communities and ALAS. The quality of our supplier relationships often has a direct bearing on the quality of our customer relationships. Likewise, the quality of our suppliers' products and services affects the quality of our own products and services

### **(b) Core Requirements**

- (i) Follow government acquisition regulations when purchasing materials and services for use in fulfilling government contracts.
- (ii) Provide a competitive opportunity for suppliers to earn a share of ALAS' purchasing volume, including small businesses and businesses owned by the disadvantaged, minorities and women.
- (iii) Enlist supplier support in ensuring that ALAS consistently meets and exceeds customer expectations of quality, cost and delivery.

(iv) Do business only with suppliers who comply with local and other applicable legal requirements and any additional ALAS standards relating to labor, environment, health and safety, intellectual property rights and improper payments.

(c) Be precautionous of:

(i) Selection of suppliers on any basis other than open, competitive bidding.

(ii) Potential conflicts of interest in supplier selection, including the acceptance of gifts or other items of value except in strict compliance with business guidelines.

(iii) Directing business to a supplier owned or managed by a relative or close friend.

(iv) Unsafe conditions in supplier facilities, or workers who appear to be underage or subject to coercion.

(v) Apparent disregard of environmental standards in supplier facilities

## **6. Antitrust Compliance**

(a) Overview

ALAS is a trade corporation of member companies in the private security and safety industry. It is organized to promote the common interests of its members and the private security and safety industry; to the extent such interests do not conflict with the common good. ALAS is not involved, and will not become involved, in the competitive business decisions of its member companies, nor will it take any action which would tend to restrain competition in the security and safety industry.

Nevertheless, it is recognized by the Board of Directors of ALAS that the Corporation and its varied activities could be regarded by some as a forum for an opportunity to promote anti-competitive conduct. For this reason, the Board of Directors has taken this occasion, through this update of its original statement of policy, to make clear that the ALAS' policy is to comply strictly in all respects with the antitrust laws.

This Policy, together with the General Rules of the Antitrust Compliance and the ALAS Guide to Antitrust Policy for Association Presenters, are a reminder of the commitment of the Corporation and of its members to full compliance with antitrust laws and a general guide for Association activities and meetings.

It shall be the responsibility of every member of ALAS to be guided by ALAS's policy of strict compliance with the antitrust laws in all ALAS activities and meetings. It shall be the special responsibility of ALAS officers, committee chairmen, and officers of product groups to ensure that this Policy is known and adhered to in the course of activities pursued under their leadership. Compliance with this Policy involves not only avoidance of antitrust violations but also the avoidance of conduct that could appear to be an antitrust violation.

In conclusion, this Policy and the General Rules of the Antitrust Compliance are intended only to highlight and emphasize the key antitrust standards relevant to Corporation programs. You must, therefore, seek the guidance of either Corporation legal counsel if antitrust questions arise.

b) General Rules of the Antitrust Compliance.

The following rules are applicable to all ALAS activities and must be observed in all situations and under all circumstances, without exception or qualification other than as noted below.

- (i) Neither ALAS nor any committee, product group, conference or activity of ALAS shall be used for the purpose of bringing about, or attempting to bring about, any understanding or agreement, whether written or oral, formal or informal, express or implied, among competitors with regard to prices, terms or conditions of sale, discounts, distribution, volume of production, territories or customers.
- (ii) Accordingly, do not discuss these topics with other members and do not make public statements about your company's prices, product or service offerings, particular customers or geographies, or those of your competitors, at Corporation functions.
- (iii) No ALAS activity or communication shall include discussion or action, for any purpose or in any fashion, of prices or pricing methods, production quotas or other limitations on either the timing or volume of production or of sales, or involve allocation of territories or markets or customers in any way.
- (iv) No ALAS committee or product group shall undertake any activity which involves exchange or collection and dissemination among competitors of any information regarding prices, pricing methods, costs of production, or of labor or sales or distribution or individual company statistics of any kind, without first obtaining the advice of legal counsel, provided by the Association, as to those proper and lawful methods by which these activities may be pursued.
- (v) No ALAS activity or communication shall include any discussion or action which might be construed as an attempt to prevent any person or business entity from gaining access to any market or to any customer for goods or services, or to prevent or boycott any business entity from obtaining a supply of goods or otherwise purchasing goods or services freely in the market.
- (vi) No ALAS activity or communication shall include any discussion or action which might be construed as an agreement or understanding to refrain from purchasing any raw materials, equipment, services, or other supplies from any supplier.
- (vii) Neither ALAS nor any committee or product group thereof shall make any effort to bring about the standardization of any product or method of manufacture or certification of any product or program, if the purpose is to prevent the manufacture or sale of any product not

conforming to a specified standard or if it would tend to have the overall effect of either lessening competition or resulting in a degree of price stabilization.

- (viii) No person or company shall be unreasonably excluded from ALAS membership or participation in any ALAS activity, committee or product group, where exclusion may impair such person's or company's ability to compete effectively in the private security and safety industry.
- (ix) In conducting ALAS committee meetings or product group meetings, the chairman thereof shall prepare and follow a formal agenda. Minutes of each meeting shall be distributed to all persons who attend such meetings. Approval of the minutes shall be obtained from the members of the committee or product group at its next meeting. Copies of the minutes shall be transmitted to ALAS staff and, to the extent necessary, to ALAS legal counsel.
- (x) Corporation speakers and authors of conference papers shall be informed of the need to comply with the ALAS' Antitrust Policy and these General Rules of Antitrust Compliance, as well as the ALAS Guide to Antitrust Policy for Corporation Presenters, in the preparation and presentation of their materials.
- (xi) In informal or social discussions at the site of a ALAS meeting, which are beyond the control of its officers and chairmen, all representatives are expected to observe the same standards of personal conduct required of the Corporation in its compliance with these General Rules of Antitrust Compliance. In addition, copies of the foregoing Antitrust Policy and these General Rules of Antitrust Compliance will be included in meeting registration packets and will also be printed in ALAS Directories.

(b) Guide to Antitrust Policy for Corporation Presenters.

It is the policy of ALAS to comply strictly with all laws applicable to their activities, as set forth in its Antitrust Policy and the General Rules of Antitrust Compliance. It is important to emphasize the on-going commitment of the Corporation to full compliance with federal and state antitrust laws. This Guide is therefore being provided to help you prepare your presentation materials.

Some of the topics you cannot discuss or present at ALAS activities and meetings include:

- (i) Forward Looking Price Projections: do not project, forecast or otherwise speculate about the pricing of security and safety products or services or topics that may affect prices, such as costs, discounts, terms or conditions, or profit margins.
- (ii) Forward Looking Inventory or Capacity Projections: do not project, forecast or otherwise speculate about the inventory or capacity levels of any security or safety company.

- (iii) Competitors' Capabilities: do not discuss the capabilities, product or service mix, geographic coverage or any specific attribute of any particular company if such information has not been placed in the public domain by that company in the form of a government filing or general press release.
- (iv) Call To Action: do not issue a "call to action" at a Corporation meeting with respect to price or price related topics, including capacity or inventory.
- (v) ALAS Logo or Name. Please do not use or place the Corporation logo or Corporation name on your presentation materials without first obtaining the written consent of the Corporation.
- (vi) Assuming the information is not specific to any one company or does not provide potentially revealing information about a small group of companies, you may present historical information as to industry trends, technology developments, quality assurance and other industry issues.

**Compliance with this Policy involves not only the avoidance of antitrust violations but also the avoidance of behavior which might appear to be an antitrust violation. The antitrust laws are stated in general terms, and this statement is not a summary of applicable laws. It is intended only to highlight and emphasize the principal antitrust standards which are relevant to ALAS programs.**

### **III. GOVERNMENT BUSINESS**

ALAS count among their customers at least one governmental body, whether it's a city, state, province, country, international organization or government-funded enterprise. We need to understand and follow the many special rules for companies that do business with governments or otherwise interact with them.

The policy summarized in this section describes these rules:

#### **(a) Overview**

ALAS is committed to conducting its business with all governmental representatives with the highest ethical standards and in compliance with applicable laws and regulations, including the special requirements associated with government transactions.

#### **(b) Core Requirements**

- (i) Abide by applicable laws and regulations, with particular emphasis on those special requirements associated with government contracts and transactions.
- (ii) Require anyone providing goods or services for ALAS on a government project or contract – such as consultants, agents, sales representatives, distributors, independent contractors and subcontract labor – to agree to comply with the intent of ALAS' Working with Governments policy.

- (iii) Be truthful and accurate when dealing with government officials and agencies.
  - (iv) Adopt effective processes to ensure that: 1) reports, certifications, statements and proposals are current, accurate and complete; and, 2) contract requirements are adequately identified and communicated to personnel who have responsibility for contract performance.
  - (v) Do not make any unauthorized substitutions for contracted goods and services or deviate from contract requirements without the written approval of the authorized government official.
- (c) Be cautious of:
- (i) Special requirements associated with government transactions, including “commercial” transactions financed by government agencies such as the EX-IM Bank, U.S. Agency for International Development, U.S. Defense Security Cooperation Agency, the European Union or the European Bank for Reconstruction and Development.
  - (ii) Incorrect or unauthorized cost-charging on government contracts.
  - (iii) Deviations from contract requirements or unauthorized contract substitutions, including the failure to perform required tests and inspections.
  - (iv) Submission of inaccurate or incomplete cost or pricing data when such data are required by the government.
  - (v) Violating national, regional or local government regulations that establish gratuity restrictions, entertainment rules, recruiting prohibitions, non-commercial contract requirements or certification procedures.
  - (vi) Acceptance of information related to the government’s competitive selection of a supplier, or a competitor’s bid or proposal, unless the contracting officer or head of the agency has specifically and lawfully authorized release of such information

#### **IV. ALAS PRESENCE IN THE COMMUNITY**

Beyond ALAS’ specific responsibilities to customers and suppliers, all of us have important responsibilities to each other and to the communities in which we work.

Throughout the company, we must ensure that employees are hired and promoted based on merit and that working conditions comply with the law. We must strive to provide safe environments for our employees and the communities in which we do business.

Those principles are reflected in the following policies summarized in this section:

- Environment, Health & Safety
- Fair Employment Practices

## **1. Environment, Health & Safety**

### (a) Overview

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

### (b) Core Requirements

- (i) Comply with all relevant EHS laws and regulations.
- (ii) Create and maintain a safe working environment and prevent workplace injuries.
- (iii) Reduce waste, emissions and the use of toxic materials.
- (iv) Appropriately assess and manage our EHS risks.
- (v) Eliminate unreasonable risks from our products, activities and services.
- (vi) Respect the environmental rights and interests of our neighbors.

### (c) Be precautionous of:

- (i) Unsafe activities and conditions, such as:
  - Failure to use personal protective equipment (shoes, safety glasses, hearing protection, etc.).
  - Unlabeled chemicals.
  - Exposed or unsafe wiring.
  - Blocked fire exits.
  - Unsafe driving or failure to wear seat belts.
  - Working in high places without fall protection.
  - Working beneath heavy, suspended loads, or improperly using cranes.
  - Working on electrical or powered equipment without following appropriate lock-out, tag-out procedures.

- (ii) Failure to comply with health, safety or environmental regulations and procedures.
- (iii) EHS complaints from employees, customers or neighbors.
- (iv) Deficiencies noted by government inspectors.
- (v) Unreported environmental, health or safety hazards or accidents.
- (vi) Failing to respond promptly to concerns about possible product safety issues.
- (vii) Missed opportunities for reducing waste and toxic materials

## **2. Fair Employment Practices**

### **(a) Overview**

ALAS is committed to fair employment practices, including the prohibition against all forms of illegal discrimination.

By providing equal access and fair treatment to all employees on the basis of merit, we improve ALAS' success while enhancing the progress of individuals and the communities where our businesses are located.

ALAS is committed to following the applicable labor and employment laws wherever it operates. That includes observing those laws that pertain to freedom of association, privacy, recognition of the right to engage in collective bargaining, the prohibition of forced, compulsory and child labor, and those laws that pertain to the elimination of any improper employment discrimination.

### **(b) Core Requirements**

- (i) Use merit, qualifications (for example, education, experience, competencies, etc.) and other job-related criteria as the sole bases for all employment-related decisions affecting employees and applicants.
- (ii) Recruit, hire, train, compensate, promote and provide other conditions of employment without regard to a person's race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law.
- (iii) Provide a work environment free of improper harassment, such as harassment directed at a person because of his or her race, religion, sex, etc.
- (iv) Respect the privacy rights of employees by using, maintaining and transferring their personal data in accordance with applicable company guidelines and procedures. While seeking to maintain employee privacy, however, ALAS must reserve the right to monitor use

of company property (for example, computers, e-mail, phones, proprietary information, etc.) in accordance with applicable law.

- (v) Comply with all relevant laws and regulations.
  - (vi) In the United States, take affirmative actions to increase opportunities in employment for women, minorities, the disabled and certain veterans.
  - (vii) If a conflict arises between the requirements of this policy and the laws, customs or practices of a particular area, consult with management and company legal counsel to determine the most appropriate course of action.
- (c) Be precautionous of:
- (i) A hostile work environment (for example, telling jokes or displaying materials that ridicule or offend a member of a particular race or ethnic group).
  - (ii) Allowing race, color, religion, national origin, sex (including pregnancy), sexual orientation, age, disability, veteran status or other characteristic protected by law to be a factor in hiring, promotion, compensation, or other employment-related decisions.
  - (iii) Making unwelcome sexual advances to another employee or person with whom you work.
  - (iv) Violating a labor law in your country (for example, hiring a child who is under the legal minimum age).
  - (v) Refusing to work, or otherwise cooperate with certain individuals because of their race, religion, sex, etc.
  - (vi) Disclosing employment data to a person who does not have the business need, authority or the subject's consent.

## **V. PROTECTING ALAS ASSETS**

As ALAS employees and members, each of us has a direct role in helping to maintain the company's financial integrity by keeping company records accurate. We must also safeguard company property, whether it is a piece of equipment, an electronic file, an ALAS trademark or confidential information about an upcoming deal. In addition, we have a fundamental obligation to make sound business decisions on behalf of our company that are undistorted by our individual family, financial or other interests.

The following policies, summarized in this section, concern our responsibilities for protecting ALAS assets:

- Conflicts of Interest
- Controllership
- Intellectual Property

## **1. Conflicts of Interest**

### (a) Overview

ALAS recognizes and respects that employees and members may take part in legitimate financial, business and other activities outside their jobs. However, those activities must be lawful and free of conflicts with their responsibilities as ALAS employees and members.

Employees and members must not misuse ALAS resources or influence, or discredit ALAS' good name and reputation.

The effectiveness of this policy depends in large part on the cooperation of all employees in disclosing any situations that may be contrary to the intent of the policy and the ethical standards that it expresses.

### (b) Core Requirements

- (i) Disclose your outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict. Make your disclosures in writing to the Board of Directors as well as to Corporation legal counsel.
- (ii) In addition to complying with the law and ALAS Code, exercise your own good judgment in all personal and business dealings outside your ALAS job.
- (iii) Avoid actions or relationships which might conflict or appear to conflict with your job responsibilities or the interests of ALAS.
- (iv) Do not misuse ALAS resources, intellectual property, time or facilities (including office equipment, e-mail, and computer applications).
- (v) Obtain necessary approvals before accepting any position as an officer or director of an outside business concern.

### (c) Be precautionous of:

- (i) Holding a financial interest in a company where you could personally affect ALAS' business with that company.
- (ii) Taking a part-time job where you may be tempted to spend time on that job during your normal ALAS working hours or to use ALAS equipment or materials.

- (iii) Receiving gifts of greater than nominal value from suppliers, customers or competitors while you are in a position to influence ALAS decisions that might affect or appear to affect the outside concern.
- (iv) Receiving personal discounts or other benefits from suppliers, service providers or customers not available to the general public or similarly situated ALAS employees or members.
- (v) Accepting an offer to purchase “friends and family stock” in a company issuing shares through an initial public offering (IPO) if you interface with that company in your ALAS business activities.
- (vi) Directing business to a supplier that is owned or managed by a relative or close friend.
- (vii) Misusing ALAS resources, your position or influence to promote or assist an outside business or not-for-profit activity.
- (viii) Preferential hiring of, direct supervision of, or making a promotion decision about a spouse, relative or close personal friend.
- (ix) A romantic or other personal relationship that may create a conflict of interest with the member or employee’s ALAS responsibilities or compromise company interests.

## **2. Controllership**

### **(a) Overview**

Controllership comprises three elements: (1) compliance with applicable laws, regulations and company policies; (2) rigorous business processes to ensure that management decisions are based on sound economic analysis (including a prudent consideration of risks), and that ALAS’ physical, financial and intellectual property assets are safeguarded and optimally employed; and (3) integrity in communications to ensure timely and accurate reporting of actual and forecasted financial information.

### **(b) Core Requirements**

- (i) Follow ALAS’ General Accounting Procedures (GAP), as well as all generally accepted accounting principles, standards, laws and regulations for accounting and financial reporting of transactions, estimates and forecasts.
- (ii) Assure the presence and advice of the Corporation legal counsel in all the Board of Director’s meetings.

- (iii) Maintain complete, accurate and timely records and accounts to reflect all business transactions.
- (iv) Safeguard all physical, financial, informational and other company assets.
- (v) Use economic, risk-based criteria to make business decisions.
- (vi) Provide timely, candid forecasts and assessments to management.
- (vii) Maintain sound processes and controls.

(c) Be precautionious of:

- (i) Financial results that seem inconsistent with underlying performance.
- (ii) Inaccurate financial records, such as overstated travel and living expense reports, or erroneous time sheets or invoices.
- (iii) Transactions that are inconsistent with good business economics.
- (iv) Confidential information released to unauthorized third parties.
- (v) Absence of controls to protect assets from risk of loss.
- (vi) Physical assets or other resources that could be more fully utilized, reallocated or disposed of.
- (vii) Circumventing review and approval procedures.

### **3. Intellectual Property**

(a) Overview

Among ALAS' most valuable assets is its intellectual property – patents, trade secrets, trademarks, copyrights and other proprietary information. It is ALAS' policy to establish, protect, maintain and defend its rights in all commercially significant intellectual property and to use those rights in responsible ways.

All members and employees must take steps to safeguard these assets.

(b) Core Requirements

- (i) Identify and protect commercially significant ALAS intellectual property.

(ii) Respect valid patents, copyrighted materials and other protected intellectual property of others. Consult with Corporation legal counsel concerning necessary licenses or approvals to use such intellectual property.

(iii) Consult with company legal counsel before:

- Soliciting, accepting or using proprietary information of outsiders, such as former employers of any ALAS employee.
- Disclosing ALAS proprietary information to outsiders.
- Permitting third parties to use ALAS intellectual property.

(iv) Assert intellectual property rights only in ways consistent with the law.

(v) Understand your responsibilities to the company regarding new inventions and ideas that you may develop while a ALAS member or employee. Consult with company legal counsel if you have any question about these responsibilities.

(c) Be precautionous of:

(i) Receiving, from an employee, proprietary information about his or her prior employer.

(ii) Accepting proprietary information from an outsider, without first consulting company legal counsel, under circumstances where a confidential relationship exists or may be implied.

(iii) Discussing ALAS proprietary information with customers or suppliers.

(iv) Introducing, or divulging information about, a new product or service before patent applications have been filed or a decision has been made not to file an application.

(v) Introducing a new product or service, or new product or service name, before checking for patent or trademark infringement.

(vi) Threatening anyone suspected of infringing any ALAS intellectual property without first consulting with company legal counsel.