



1. PURPOSE & POLICY

The purpose of this policy is to (a) set out Alaska Tanker Company's ("ATC") responsibilities and your responsibilities in observing and upholding the company's position against bribery and corruption; and (b) provide information and guidance to you on how to recognize and deal with bribery and corruption issues. This policy is part of ATC's code of ethics and conduct, which includes ATC's Business Ethics and Relationships Policy.

It is the policy of Alaska Tanker Company LLC to observe the highest standards of ethical conduct and to comply fully with all applicable laws and regulations where it conducts business. ATC is bound by the laws of the United States, including the Foreign Corrupt Practices Act ("FCPA"). It is ATC's policy to conduct all of its business in an honest and ethical manner. To that end, in addition to making sure it complies with the FCPA, ATC is committed to complying with other foreign anti-bribery laws, such as the UK Bribery Act of 2010 ("Bribery Act") even though such laws may not apply to ATC. This policy reflects ATC's desire that its employees, vendors, and agents conduct themselves in accordance with the FCPA and the Bribery Act. If you have any questions, concerns, or comments on the effectiveness of this policy, please contact the Commercial & Administrative Services Team Leader (CAS TL) or the Designated Person (DP).

2. SCOPE

This policy applies to all employees and Third Parties (as hereafter defined) performing duties for or on behalf of ATC whether or not directly employed by ATC and wherever located. "Third Party" as used in this policy means agents, brokers, partners, consultants, contractors, joint venture partners, and other representatives that perform services for the benefit of and on behalf of ATC, whether individuals or organizations. Your compliance with this policy is an ongoing responsibility. No employee or Third Party shall conduct activities or has authority to engage in acts that violate this policy. You shall not authorize, direct, approve, or condone conduct by another employee or Third Party that violates this policy. Thus, **it is imperative that you read, understand, and act in accordance with this policy.**

3. REQUIREMENTS

A. Overview of the anti-bribery and corruption laws

The FCPA is a criminal statute that prohibits improper payments to government officials to influence performance of their official duties. It makes it unlawful for any U.S. company and its employees or agents to offer, promise, pay, or authorize the payment of "anything of value" to any "foreign official"—a term that is very broadly defined—to help the company obtain or keep business or secure some other "improper business advantage." This prohibition applies whether the offer or payment is made directly or indirectly through another person.

In addition to prohibiting improper payments to foreign officials, the FCPA requires U.S. companies and their controlled affiliates to keep accurate books and records of the transactions in which they engage and to maintain a system of internal controls that, among other things, can prevent "slush funds" and "off-the-books" accounts that might



be used to facilitate or conceal questionable foreign payments. The FCPA accounting requirements apply to all business activities, not just those involving foreign officials.

The penalties for violating the FCPA are severe. For a company, potential sanctions range from multi-million dollar fines and “disgorgement” of any business profits from an improper payment to loss of export privileges or eligibility to compete for U.S. government contracts. These sanctions are in addition to potential reputational damage and investigation and defense costs, which may arise even without a formal government prosecution. The penalties for individuals can be even more severe, including substantial fines and imprisonment.

B. What the FCPA prohibits.

The FCPA makes it unlawful to bribe a foreign official to gain an “improper business advantage.” An improper business advantage may involve efforts to obtain or retain business, as in the awarding of a government contract, but also can involve regulatory actions such as licensing or approvals. Examples of prohibited regulatory bribery include paying a foreign official to ignore an applicable customs requirement or to accelerate a tax refund.

The FCPA bribery prohibition has been interpreted very broadly. A violation can occur (a) *even if the improper payment is only offered or promised and not actually made*; (b) it is made but fails to achieve the desired result; or (c) the result benefits someone other than the giver (for example, directing business to a third party). Also, it does not matter that the foreign official may have suggested or demanded the bribe, or that a company feels that it is already entitled to the government action. While certain limited exceptions such as official travel and lodging expenses (described below in Section 6), these limited exceptions should never be relied upon without first seeking authorization from your superior.

C. Who is a “foreign official?”

A “foreign official” under the FCPA and the UK Bribery Act can be essentially anyone who exercises governmental authority or performs a public function of any kind in a foreign country or territory. A foreign official may include any officer or employee of a foreign government department or agency, whether in the executive, legislative or judicial branch of a government, and whether at the national, state, or local municipal (city or county) level. Officials and employees of government-owned or controlled enterprises also are covered, as are private citizens who act in an official governmental capacity. The FCPA prohibition also applies to political parties and candidates, and to officials of public international organizations such as the United Nations.

Members of a foreign political party or a candidate for office may also be considered as a foreign official.

Foreign official status will often be apparent, but not always. In some instances, individuals may not consider themselves officials or be treated as such by their own governments, but may exercise authority that would make them a “foreign official” for



purposes of the FCPA. Employees engaged in international activities are responsible under this policy for inquiring whether a proposed activity could involve a foreign official or an entity owned or controlled by a foreign government. You should consult with the CAS TL or DP when questions about “foreign official” status arise.

For the purpose of this policy, “foreign official” is defined as described above. In other words, this policy interprets “foreign official” broadly as described above.

D. Types of payments that are prohibited.

The FCPA prohibits offering, promising or giving “anything of value” to a foreign official to gain an improper business advantage. In addition to cash payments, “anything of value” may include:

- Gifts, entertainment, or other business promotional activities;
- Covering or reimbursing an official’s expenses;
- Offers of employment or other benefits to a family member or friend of a foreign official;
- Political party and candidate contributions; or
- Charitable contributions and sponsorships.

Other less obvious items of value provided to a foreign official may also violate the FCPA. Examples include in-kind contributions, investment opportunities, stock options, or positions in joint ventures, and favorable or steered subcontracts. The prohibition applies whether an item would benefit the official directly or another person, such as a family member, friend or business associate.

E. ATC Prohibitions

The following is a description of what is prohibited and allowed under this policy. As stated above, it is an offense (1) to bribe another person, (2) to be bribed, (3) to bribe a foreign public official, and (4) for you to fail to prevent or report bribery. You must never offer, promise, or give a financial or other advantage to any person (including a foreign official) with the intention of inducing or rewarding improper performance by them of their duties. You must never directly or indirectly accept or agree to receive a financial or other advantage as a reward for the improper performance of duties. It makes no difference whether the advantage is for you, Third Party, other parties, or ATC. You are permitted to give and receive gifts, entertainment, and hospitalities as more fully described in Section 6 of this policy below, but this should always be reasonable and proportionate as more fully set below.

F. Accounting Provisions

ATC and its affiliates must keep accurate books and records that reflect transactions and asset dispositions in reasonable detail, supported by a proper system of internal accounting controls. These requirements are implemented through ATC’s standard accounting rules and practices, which all employees are required to follow without exception.



Special care must be exercised when transactions may involve payments to foreign officials. Off-the-books accounts should never be used. You must ensure all expenses relating to hospitality, entertainment, gifts or expenses incurred to third parties are submitted in accordance with ATC’s expense policy. You must specifically record the reason for the expenditure. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers, and business contacts, should be prepared and maintained with strict accuracy and completeness. Requests for false invoices or payment of expenses that are unusual, excessive or inadequately described must be rejected and promptly reported. Misleading, incomplete or false entries in the ATC’s books and records are never acceptable.

G. Anti-bribery laws in other countries

Many countries now have laws similar to the FCPA that prohibit bribery of foreign officials by their citizens and companies, which can include local subsidiaries and affiliates of a foreign-based company. These laws are comparable to the FCPA, but can differ in important respects—such as the treatment of facilitation payments. In addition, virtually all countries have domestic laws that prohibit bribery of their public officials.

You must comply in all respects with applicable foreign laws and regulations. The laws that apply to particular international business activities include those of the country in which the activities occur, as well as other that (like the U.S. FCPA) govern the international operations of national companies and citizens. Employees involved in international operations should consult with counsel.

4. Willful Blindness Is No Excuse

Under the FCPA, "knowledge" of bribery is not limited to actual knowledge of a particular fact, circumstance, or event. Rather, a person is deemed to "know" about an improper payment or other violation of the FCPA if he or she is merely aware of a probability of its existence. In other words, even if you do not actually "know" about activities that violate the FCPA, such knowledge nonetheless may be implicated to you and the Company if you take steps to deliberately insulate yourself from or consciously disregard suspicious actions or circumstances (i.e., "red flags"). In short, willful blindness (e.g. hiding your "head in the sand," saying "that's not my responsibility" or "this is just business as usual and everyone else is doing it") is no defense to an accusation of bribery or corruption. Indeed, such conscious disregard of suspicious activity that merits further inquiry and scrutiny may result in the imposition of criminal and/or civil liability on both you and ATC. Accordingly, willful blindness under such circumstances is strictly forbidden by this Policy. If you are aware of any violation of the FCPA or aware of any "red flags," contact your superior immediately or contact the CAS TL or DP.

5. Primary Areas of Risk and “Red Flags.”

In light of the severe consequences of bribery or corruption violations, it is imperative that you remain alert and cognizant of "red flags" of potential violations. Such "red flags" may include,



but are not limited to the following:

- a. Inflated or unusually large commissions or bonus payments;
- b. Requests for inexplicably large payments in cash or in bearer instruments;
- c. Payments through a third-party or to an account in an off-shore or unrelated third country;
- d. Requests that payments be made to an unknown third party, be split among multiple accounts, be made to an account other than where the third party or agent is located or business is to be performed or any other unusual financial arrangement;
- e. False invoices, over-invoicing, or under-invoicing for ATC or related services;
- f. Lack of transparency in expenses and accounting records;
- g. A third party whose qualifications include personal relationships with foreign officials;
- h. A third party's apparent lack of qualifications or resources to perform services offered;
- i. A third party who relies heavily on political or government contacts instead of technical skills or time invested;
- j. Any refusal or hesitancy by a third party to enter into a written agreement containing representations and warranties to refrain from violations of the anti-bribery laws or a refusal by any such party to explain or account for expenditures of funds entrusted to them;
- k. Inadequate oversight over subsidiaries and personnel in any country;
- l. A history or pattern of corruption in a country;
- m. A foreign official recommends that ATC hire a specific third party or person;
- n. Upon checking references, you find that a potential third party has an unsavory reputation, criminal record, or is not well known in the industry; or
- o. Repeated use of a third party for business without any reasonable justification for such repeated appointment.

6. Gifts, Entertainment, and Travel Expenses

The (ATC) Business Ethics and Relationships Policy states the following:

“ATC employees will only give or accept gifts and entertainment that are for business purposes and are not material or frequent.”

General Guidelines

This policy does not prohibit normal and appropriate gifts, entertainment and travel expenses (given and received) to or from third parties. Gifts and entertainment are a respectable way of building and reinforcing ATC business relationships. However, any gift and/or entertainment expense must be given or received with care in order to avoid possible misinterpretation or violation of law. The guidelines below include gifts or entertainment to or from employees, Third Parties, and members of their immediate family.

Misinterpretations can arise whether you are giving or receiving a gift or enjoying an entertainment event. For example, the gift or entertainment could be seen as an attempt to influence, induce, or reward and improper decision, performance, or to enhance personal lifestyles by a misuse of company funds. ATC could be accused of double standards if we receive more generously than we are allowed to give. ATC could be considered to have entered



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 Policy Statements
 Anti-Bribery and Corruption Policy

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into an obligation to reciprocate, either in kind or with some other benefit. As a result, all employees should feel comfortable that giving or receiving a gift or entertainment would meet the following guidelines:

- a. You disclosed it to a supervisor or manager in advance (where it is possible to do so or soon as possible afterwards);
- b. It is not made with the intention of influencing, inducing, or rewarding you or a third party in order to gain any advantage through improper performance, or in explicit or implicit exchange for favors or benefits;
- c. The gift or entertainment event could not be interpreted as creating an obligation on the recipient;
- d. It complies with local law;
- e. It is given in ATC's name, and not in your name or the name of a Third Party;
- f. It does not include cash or a cash equivalent (such as gift certificates or vouchers);
- g. The recipient would not put a higher value on the gift or entertainment than the value intended;
- h. It is appropriate under the circumstances. For example, in the United States it is customary for small gifts to be given at Christmas time;
- i. Taking into account the reason for the gift or entertainment expense, it is of an appropriate type, value, and given at an appropriate time. For example, customers are likely to be able to accept entertainment or gifts from us if we are not participating in a tendering process or negotiating with them for a contract;
- j. The value of the gift or entertainment would not be perceived to be greater than what would normally be given or received by ATC;
- k. It is given openly, not secretly;
- l. You would not be embarrassed if colleagues knew about the gift or entertainment - nor if it became public knowledge (e.g. in the press); and
- m. Gifts and/or entertainment should not be offered to or accepted from a Foreign Officials, foreign politicians, foreign political parties, or US or UK government officials without the prior approval of ATC's President & CEO.**

In addition the above, this policy does not prohibit official company travel and lodging expenses. The FCPA allows for official company travel and lodging expenses of foreign official, so long as they are reasonable. Travel and lodging expenses involving foreign, U.S., or UK government officials must be paid with care and must be pre-approved by the President & CEO. The FCPA allows ATC to pay for the travel and lodging expenses of foreign officials, so long as travel expenses, like gifts, (1) are reasonable and directly relate to certain marketing and contracting activities; and (2) are lawful under applicable written local laws of the foreign official's country. Travel and lodging expenses must be directly related to the promotion, demonstration, or exploration of ATC's products and services, or for the execution or performance of a contract with a foreign government or agency. The same guidelines governing gifts and entertainment apply to paying for travel and lodging, especially documentation of travel and lodging expenses as stated in Section 3.F. (accounting provisions) of this policy.

The following constitute acceptable practices:

Business lunches and dinners of an infrequent nature when required in the normal course of business.

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Giving and accepting gifts of “nominal value”. “Nominal value” is loosely defined as no more than \$100 in value from any one source in any one year.

Giving and accepting entertainment of “reasonable value”. Reasonable value is defined as no more than \$150 in value per person for any one event and not more than twice in one year from the same source.

The cost and style of corporate entertainment, whether given or received, should be at a level that would be perceived to be normal for the local business entertainment environment. Attending or inviting others to corporate entertainment events is acceptable when (a) there is demonstrable business value; (b) payment for travel costs is minimal, and (c) attendance does not involve overnight accommodation.

In exceptional cases, the status of the third party recipient may justify exceeding the above limits. The reasons should be recorded and the entertainment/gift approved in advance by the President & CEO.

All gifts and entertainment given, accepted, or declined in excess of the above limits must be reported immediately to the CAS TL.

In addition to the above, a simple test is to ask yourself the following question to determine if a gift or entertainment is appropriate:

“Is the intent of my gift to build a business relationship or offer normal courtesy, or is it to influence the recipient’s objectivity in making a business decision?”

The following constitute unacceptable practices:

Accepting any gift or entertainment that would be illegal.

Any entertainment that is indecent, sexually oriented, does not comply with ATC’s commitment to mutual respect or that otherwise might adversely affect ATC’s reputation.

Accepting entertainment or keeping a gift in excess of the above amounts, without obtaining approval of an ATC Officer.

Seeking a gift/entertainment from any organization that does business with ATC or one that would like to do business with us.

Accepting any gift or entertainment that is “quid pro quo” (offered for something in return).

Accepting a gift or entertainment, including organized corporate entertainment, in the course of a tender or negotiation for supplies of goods and services. This includes areas such as contract amendments, claims, and final contract values. (A business lunch or dinner is acceptable if it is a normal part of a business meeting).



Accepting invitations to attend corporate events that involve significant travel and/or overnight accommodation being paid for by the host company.

In the event that you feel that there is business advantage in attending, then: (a) attendance should be approved in advance by a more senior manager, (b) there should be people present from other companies, and (c) ATC should pay for your travel. If there is no such business justification then you should not attend, even as a private individual.

The above points cover the most commonly encountered circumstances. They are not intended to cover internal conferences, special celebrations, or other special circumstances.

You should discuss these points with the CAS TL if you need advice or if you are in any doubt about the acceptability of any entertainment or gift you are offered or wish to offer. Human Resources will also provide guidance as necessary.

7. Facilitation Payments

All employees and Third Parties are prohibited from making and accepting facilitation payments or “kickbacks” of any kind. Kickbacks are typically payments made in return for a business favor or advantage. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. This typically includes

- Processing licenses, permits or other official documents;
- Processing government paperwork such as visas and work orders; and
- Providing services such as police protection and mail pick-up and delivery.

If you are asked to make a payment on ATC’s behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt that details the reason for the payment. If you have any suspicions, concerns or questions regarding a payment, then you should raise this with the CAS TL or DP.

You must avoid any activity that might lead to or suggest that a facilitation payment or kickback will be made or accepted by ATC. No payment to any foreign official may be made to or authorized without the express written permission of ATC’s President & CEO in order to determine whether the payment is prohibited. The President & CEO must review the payment request and provide written approval before any payment can be made to a “foreign official” as defined in this policy (see Section 3.C).

8. Political and Charitable Donations

To ensure compliance with anti-bribery laws, you cannot offer, promise, authorize, or make, directly or indirectly, a political or charitable contribution on behalf of ATC without obtaining prior authorization from ATC’s President & CEO.

9. Third-Party Representatives

ATC can be held liable for violations of anti-bribery laws by third parties acting on its behalf.



This is a matter of strict liability and the only defense available to ATC for such a charge would be if it can show that it has carried out adequate due diligence on the Third Party in order to circumvent the risk of bribery and corruption.

As such, great care should be taken in the selection and retention of such third party representatives, agents, or consultants. You must never engage a third party to act on ATC's behalf if you know or suspect that the person may use or offer all or a portion of a payment directly or indirectly as a bribe.

Conducting appropriate pre-retention due diligence of agents, consultants, and business partners is crucial to ensuring that ATC does not hire third parties who may engage in bribery violations while acting on ATC's behalf. It is your responsibility to carry out such due diligence checks. This will include a corruption risk assessment of factors including the country in which the business is to be conducted, the third party's potential business partners, and the nature of the proposed project or transaction. Retention of all third parties must be pursuant to a written contract - never oral. All paperwork and records that document the due diligence checks and risk assessment and the contract of engagement must be retained for six years.

If you have any questions or concerns about this Policy or anti-bribery laws, contact the CAS TL or DP. Employees or Third Parties who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. ATC aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. Any employee who has knowledge or reason to suspect or believe that there has been or will be a violation of this Policy, any other applicable ATC policy, or law is required to report such information to the ATC immediately. All such reports shall be treated confidentially to the extent permitted by law. If you have any comments about this policy and how it may be improved, please contact the ATC Designated Person or the CEO.

NOTE: This Policy is not intended to create any employment relationship or contractual rights in favor of the employee or the Company. ATC reserves the right to change the terms of this Policy at any time.

Anil Mathur
 Anil Mathur
 President and CEO