



Overseas Military Sales Group

Code of Conduct



OMSG Mission

To create a lifelong emotional connection by consistently providing outstanding value, unique services and convenience that exceeds our customers' expectations.

OMSG Vision

To be our customer's first choice for their personal transportation solutions and be a premier collaborative partner.

Letter From the Chairman and Chief Executive Officer

Ethics, integrity, and honesty have always been the DNA of OMSG. While we are proud of our progress toward “transformational change” and building a “new culture,” these values that drive our business have not changed. They are the cornerstone of our global company and critical to the way we communicate with our customers and partners—as well as each other. They represent some of the most important keys to our success.

Our Code of Ethics reaffirms our commitment to the highest standards of compliance, excellence, and integrity. It provides the appropriate resources available to raise any concerns you may have in a confidential manner. Take some time to familiarize yourself with the Code and remember, we have a shared responsibility “to do the right thing.” As General Counsel Jim Black noted at our ethics training sessions: “Ethics and compliance are everyone’s job.”

Thanks for the roles you each play to make OMSG a strong and responsible company.

Sincerely,
David J. Goldring
Chairman & CEO





Letter from the General Counsel

Dear Colleague:

Welcome to OMSG's Code of Conduct, "Our Guide to Doing the Right Thing". The Code has been written, not as an all-encompassing document to cover every workplace or ethical dilemma with which you may be faced, but as a framework to assist you in recognizing issues and understanding how to deal with them. It is this awareness that will provide you with a strong foundation of ethical standards on which OMSG has built its business and upon which we all will develop professionally.

The Code also directs you to the tools, resources and avenues of communication available to all associates who are faced with ethical or other workplace dilemmas. It is the responsibility of all OMSG associates to conduct business with the highest ethical standards. To this end, we encourage all associates to raise any issue that concerns them—ethical or otherwise. As the Code explains in greater detail, OMSG will not permit any retaliation against any associate who raises concerns about the manner in which OMSG conducts its business. Any associate who feels he/she has been the victim of retaliation should feel free to contact me or the Compliance Office.

I urge you to read this Code and use it as a reference tool in your daily business life.

I encourage you to raise any questions, comments, or concerns about the Code or OMSG business practices to OMSG's Compliance Office or your local Human Resources representative.

Jim Black
Vice President, General Counsel

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OMSG's Worldwide Commitment to Transparency


OMSG considers it our obligation to create a corporate culture of transparency and accountability. OMSG believes in applying standards of full, accurate and timely disclosure to all of its partners and associates, as well as to its Shareholders and Board of Directors.

Our values show our commitment to being a good global citizen and acting in a socially responsible way in the communities where we live and work worldwide. Regardless of where you work, OMSG prohibits business units from engaging in activities that do not maintain individual dignity and respect, and compliance with laws.

OMSG is committed to operating its business in a manner that encourages everyone to openly discuss their opinions, attitudes and concerns about OMSG's business practices. OMSG encourages its associates to speak to their manager and/or local human resources representative. If you are uncomfortable speaking to your manager or HR, contact the OMSG Legal/Compliance Department or use the OMSG Hotline.

The OMSG Hotline can be reached in three ways:

 On our website at www.encs.com/ethics

 Via e-mail at ethicshotline@militarycars.com

 Or by phone at 1-855-384-4274, 1-855-ETHICS-4, or 516-496-1829

A key objective for OMSG's Management Team is that any questions or concerns be raised fully, so that they may be addressed and resolved expeditiously and appropriately.

OMSG will not tolerate any retaliation against anyone who raises a question or concern about OMSG's business practices or for utilizing the Hotline. Everyone must understand, however, that using these communication channels to report a wrongdoing will not absolve the employee from accountability for personal involvement in such wrongdoing.

This information supplements any policies related to the areas discussed in the Code. The Code cannot address all possible compliance or ethical dilemmas and offers general guidelines as a starting point for you. Listed on the following pages are some of the situations that OMSG associates may encounter; however, these may not be the only compliance or ethical dilemmas that they may encounter.





Management's Responsibilities

The CEO, with the assistance of the Senior Leadership Team (SLT), is responsible for operating OMSG's business in compliance with applicable laws. The CEO and SLT are responsible for creating and fostering a culture of ethical business practices, encouraging open communication, and for instilling awareness of and commitment to this Code of Conduct (the "Code").

The Vice President, General Counsel and Chief Compliance Officer has overall responsibility for administering the Code. He is responsible for:

- ◆ Distributing the Code to all associates.
- ◆ Monitoring OMSG's ethics and business practices company wide.
- ◆ Resolving issues brought to his office.
- ◆ Overseeing Business Practices and Compliance investigations.
- ◆ Discussing ethics and business conduct issues with associates and managers throughout OMSG and the Board of Directors.

Questions regarding the Code, its interpretation or its application should be addressed to the General Counsel and Chief Compliance Officer.

Compliance with the Code

The Code applies to all associates of OMSG. Every associate is expected to understand and comply with OMSG's Code of Conduct, as well as those policies, practices, and regulations that affect his or her job. OMSG encourages everyone to bring issues and concerns forward to their management with the full knowledge that all issues and concerns will be treated seriously and confidentially and without fear of retaliation.

It is the obligation of every associate to report any suspected violations of this Code utilizing the avenues discussed here. While you may initially be reluctant to "get involved", it is important to note that failure to report violations can have substantial consequences. In addition to the possibility of being held personally liable for the legal or ethical violation, you may be subject to disciplinary proceedings, including termination and legal prosecution. As with all disciplinary matters, principles of fairness and equity always apply.

If you ever find yourself facing a compliance or ethical dilemma, remember you are not alone. Contact your Manager, Human Resources Representative, the Legal Department or the OMSG Hotline.

If you are unsure of the propriety or ethics of any activity, ask yourself the following questions:

- ◆ Does it comply with the law, OMSG's Code of Conduct and OMSG's compliance policies and procedures?
- ◆ How would our customers, shareholders and the general public look upon it?

When in doubt, speak up and ask for guidance.

All reports are handled confidentially and, if you wish, anonymously. OMSG does everything possible to handle complaints in a sensitive manner. We also act to protect you from any retaliation as a result of reporting violations. All reports of violations will be taken seriously. Once your report is received, your information will be referred to the appropriate OMSG representative and resolved as thoroughly and deliberately as possible.

Annual Commitment Statement

Each year, OMSG will require everyone to sign a statement that you have read and fully understand OMSG's Code of Conduct. This statement also requires you to state that you are in full compliance with the Code. A copy of the statement is at the end of the Code.





Your Partners and Customers as an OMSG Associate

All of our ethical rules and principles are built on OMSG's shared goals and core values. OMSG's commitment to ethics and honest business practices extends to its customers associates, partners, shareholders and communities. Strong relationships with consultants, representatives, contractors, and partners are crucial to our success. Each of these constituent groups plays a vital role in OMSG's success. To preserve and deepen these relationships, we must always act with integrity and respect.

Customers

OMSG is committed to dealing honestly with its customers and providing them with high quality motor vehicles at the best prices. When dealing with customers, OMSG will uphold the highest ethical standards and always operate within the parameters of the law.

Associates

OMSG is committed to treating its associates fairly. OMSG associates must respect one another's privacy and treat each other with dignity and respect regardless of age, race, color, gender, religion, nationality, disability status, sexual orientation or any other classification protected by law. OMSG is also committed to providing a safe and healthy working environment and an atmosphere of open communication for all.

Consultants

Occasionally, OMSG engages the services of an individual or a firm to consult in the course of business. OMSG associates must be especially careful to avoid conflicts of interest between OMSG and the person or firm being utilized. Consultants, of OMSG must not act on OMSG's behalf in any manner that is inconsistent with the Code or any applicable laws or regulations. All agreements with consultants must contain language to assure the Code is followed or equivalent standards are met.

Partners

OMSG has relationships with AAFES, NEXCOM as well as several automobile manufacturers and financial institutions. OMSG is committed to treating its business partners fairly, honestly and with respect. OMSG associates who have responsibilities that bring them in contact with these partners must follow the applicable sales, marketing and services guidelines that describe the appropriate conduct for dealing with partners. OMSG expects partners with whom it does business to act in accordance with standards and principles like those set forth in the Code.

Suppliers and Contractors

It is OMSG's policy to purchase all equipment, supplies and services on the basis of merit. OMSG contractors and suppliers will be treated with fairness and integrity.

Shareholders

OMSG is committed to providing a superior return to its shareholders by protecting and improving the value of their investment. This will be accomplished through the prudent use of company resources and by observing the highest standards of business practices and ethical conduct in all of our business dealings.

Auditors

Free and forthright communication with internal auditors and OMSG's external public accounting firm is crucial to the goal of assuring proper accounting for all company transactions, assets and liabilities. Accordingly, no one may knowingly make false or misleading statements to OMSG internal auditors or external public accounting firms nor may any one conceal or fail to reveal, information necessary to make the statements true.

Federal, National, State and Local Government Agencies

OMSG has a policy for responding to federal, national, state and local government agencies that are inquiring about or investigating any facet of OMSG's businesses. Associates who become aware of such an inquiry or investigation must report such government agency requests to the Legal Department. The Legal Department has primary responsibility for reviewing and coordinating responses to government agency requests.

Communities

OMSG is committed to be a responsible corporate citizen by taking an active leadership role in the communities where it does business. OMSG encourages and promotes volunteerism and corporate philanthropy.





Some Basic Business Rules

All of us must:

- ◆ Know and follow the laws that apply to us where we are doing business so that we meet our customers' needs by treating them fairly and honestly. That means delivering high-value, high-quality products and services, as well as supporting everything we sell with the technical and business resources our customers need.
- ◆ Avoid real, apparent, potential or perceived conflicts of interest in which your personal interests might conflict with those of OMSG.
- ◆ Respect one another. OMSG will provide a safe place to work. We will help each associate develop his/her talents and use those talents to the fullest. OMSG will strive to involve everyone in the planning and direction of his/her own work.
- ◆ Safeguard OMSG property and property entrusted to OMSG by others, including all proprietary information, assets and resources.
- ◆ Seek mutually beneficial relationships (within the parameters of good business judgment) with consultants, representatives, contractors and suppliers who share our values and principles, and who are prepared to promote them.
- ◆ Treat proprietary information as strictly confidential and not use it for personal gain.

Specific Compliance Topics

Compliance with Local Laws and Customs

Our values show our commitment to being a good global citizen and acting in a socially responsible way in the communities where we live and work all across the globe.

Compliance with the law is mandatory. Because OMSG conducts its business in many countries, local laws, customs and social standards differ greatly from one place to the next. OMSG's policy is to abide by the national and local laws of the countries in which it operates, unless such laws or practices violate U.S. law. If local customs and business or social practices differ from the standards contained in the Code, OMSG associates must consult with the General Counsel/Chief Compliance Officer to determine the proper way for OMSG to conduct its business in that location/ situation.

Every OMSG associate has the responsibility to understand and abide by the local laws and rules that apply where they are conducting business. It is management's responsibility to ensure that everyone has the support and resources they need to make this happen.

Proper Treatment in the Workplace

OMSG believes that its Associates are its most important asset. We expect that all Associates treat one another with respect and dignity. Everyone has a unique role in making OMSG a more inspiring and rewarding place to work. Our values are richly embedded in this commitment and are backed by many of the policies and practices outlined in the Code.





Harassment

OMSG will promote a professional and congenial work environment that encourages teamwork and professional development for all its associates. OMSG is committed to taking the necessary steps to ensure that its work environment remains free of harassment. OMSG personnel must always project the highest level of integrity and treat one another with courtesy, consideration and professionalism. All OMSG facilities worldwide maintain a professional and harassment-free working environment – they are places where employees act with respect for one another and for those with whom we do business.

To that end, OMSG prohibits and will not tolerate:

- ◆ Harassment of any associate which would include harassment directed at anyone because of that person's race, color, gender, age, religion, ancestry, national origin, citizenship status, marital status, sexual orientation, medical condition, disability, pregnancy, veteran status or any other classification protected by law.
- ◆ Abusive language, physical aggression, deliberately causing injury to another or any disorderly conduct or malicious disturbance. This includes intimidation or harassment of others.
- ◆ Sexual harassment. Sexual harassment, which includes, but is not limited to, unwelcome sexual advances, requests for sexual favors and/or other verbal, graphic or physical conduct of a sexual nature. Sexual harassment is conduct based upon gender, whether directed toward a person of the same or opposite sex. This includes:
 - ◆ Submission to the conduct is an explicit or implicit term or condition of the employment; or
 - ◆ The conduct has the purpose or effect of unreasonably interfering with the individual's work performance by creating a hostile, offensive or intimidating working environment.
- ◆ Unwelcome conduct – whether verbal, physical or visual – that is based on a person's protected status, such as race, color, religion, gender, age, national origin, citizenship status, disability, sexual orientation, veteran status or any other protected status.
- ◆ Retaliation of any type against anyone for reporting or participating in an investigation regarding any type of harassment or discrimination.

Harassment Looks Like:

Billy has a habit of telling jokes: sex jokes, black jokes, Polish jokes, Jewish jokes, jokes about everyone. In fact, the jokes are interchangeable. He even has sent them via e-mail on the company's distribution list.

The entire team jokes about Tom being gay. Tom has never complained and doesn't seem to mind, but when Mark is assigned to work with Tom, the jokes turn on Mark. Now that Mark receives the brunt of the jokes, he tells his supervisor he wants to be reassigned. His supervisor complies with Mark's request.

In addition to covering employees, our harassment-free workplace policy extends to business associates, such as outside vendors, professionals, and other providers of goods or services to any OMSG office worldwide. Note that this policy applies to both work-related settings and activities outside of the workplace. Anyone who believes he/she has been the victim of harassment should immediately report such conduct to their Human Resources representative or the OMSG Hotline.





Discrimination

OMSG is committed to providing an environment that values diversity with a conscious desire to achieve understanding, respect, inclusion and continuous learning. In addition to complying with U.S. Equal Employment Opportunities (EEO) laws, OMSG complies with all other applicable civil rights, human rights, environmental and labor laws.

Equal opportunity and fair treatment extends to all Associates. OMSG specifically prohibits discrimination on the basis of age, color disability, ethnicity, marital or family status, national origin, race, religion, sex, sexual orientation, veteran status or any other characteristic protected by law. These principles extend to all employment decisions, including:

- ◆ Recruiting, hiring, and training;
- ◆ Promotions, pay and benefits; and
- ◆ Transfers and workforce reductions.

All of the above decisions are based on the individual applicant or employee's qualifications as they relate to the particular job.

Discrimination Looks Like:

Harvey, an employee whose disability requires him to use a wheelchair, is not invited to make the client presentation of the marketing campaign he has authored. The reason, he is told, is because it was felt that the client would be more comfortable with someone who is not in a wheelchair.

Anna, a customer service representative, is fired after she explains that she cannot work Friday afternoons because she honors her religious observations.

Charles is a computer analyst. Every day at work, Charles leaves his desk to pray. His co-workers have complained and Charles's manager has told him to stop.

Substance abuse

Substance abuse, whether of alcohol or other drugs, poses a serious threat to the safety, health, and productivity of our organization, associates and customers. OMSG has a drug/alcohol-free workplace policy that extends to locations worldwide and applies to employees, vendors, customers and guest.

Our substance-free workplace policy prohibits:

- ◆ The use or possession of alcohol, illegal drugs, and other controlled substances in the workplace. Their presence will not be tolerated under any circumstances (Possession of prescription medication for medical treatment is permitted): and
- ◆ Being under the influence of alcohol, illegal drugs or any other controlled substance on the job.

Functions Involving Alcohol

There may be company-sponsored events where management approves the serving of alcoholic beverages. In these cases, all appropriate liquor laws must be followed, including laws regarding the serving of alcohol to those under the legal drinking age. Consistent with our policy, intoxication and excessive drinking by anyone at these events is prohibited.

Substance Abuse in the Workplace Looks Like:

Carla, a sales representative frequently entertains customers at lunch. She regularly has two or three drinks and returns to work with a little “buzz”.

Roy keeps a bottle of liquor in his desk drawer for a “little pick me up” after a hard day. Please note that no open bottles of alcoholic beverages should be in any associate’s possession in the workplace at any time.

Connie takes double the physician-prescribed amount of muscle relaxant just to get through the “rough times”.





Privacy

OMSG will protect the privacy rights of its associates worldwide. OMSG respects these rights whenever it collects, processes, uses and stores personal information.

Specifically, OMSG intends to collect, use, and retain personal information only as needed to effectively operate the business and/or as required by the law in the jurisdictions in which OMSG operates. Only those who have a legitimate business need to view personal information will be granted access to it. Anyone who has access to personal information of others must maintain its confidentiality. No OMSG associate may provide another's personal information to anyone outside of OMSG without proper authorization.

Marketing and Advertising

OMSG believes in vigorous competition and that honest and truthful company materials help build and maintain our reputation as a leader in our industry. To this end, all marketing sales, and advertising should be conducted on the basis of the merits and superiority of OMSG's products and services and in line with local laws on marketing/advertising. Representations that OMSG makes in advertising or other promotional materials must be truthful and accurate. All claims made by OMSG must be substantiated and should not be false, misleading or deceptive in any way. All advertising and promotions must be reviewed and approved by the Marketing Department and the Legal Department.

Safety in the Workplace

Having a safe workplace is one of the most important benefits we offer to our employees and their families. We are committed to ensuring a safe working environment for all employees. We require OMSG businesses to provide clean and safe working environments and conditions, forbid child labor at our facilities, and require that employees receive all benefits mandated by applicable laws.

We do this by following strict safety and health rules and practices, including:

- ◆ Prohibiting the possession of weapons and other dangerous devices by OMSG personnel, contractors, vendors, and visitors at all times on the company's or customer's property.
- ◆ Not tolerating any threats of harm – either direct or indirect – or any conduct that harasses, disrupts or interferes with another employee's work or performance or creates an intimidating, hostile work environment;
- ◆ Rigorously adhering to the established safety procedures, following safety practices and avoiding short cuts;
- ◆ Requiring every OMSG office to have an active published safety program that is strongly supported by its management team.

While compliance with all applicable laws and regulations is mandatory, OMSG seeks to exceed the minimum safety standards. It is our intent to avoid all injuries and to be recognized as an industry leader in safety. If you become aware of any actual or potential safety hazard, or if you have a safety concern, immediately notify your supervisor. You may also call the Corporate Law Department.





Community and Political Activities

Community Involvement and Political Contributions

OMSG encourages its associates to be informed voters involved in civic affairs and the political process. That participation is entirely voluntary and must be made on personal time. Personal contributions to civic organizations and political candidates and parties are entirely consistent with OMSG's commitment to good citizenship and community involvement. However, associates are prohibited from contributing OMSG's funds, property or services to any political party, committee or candidate for any governmental office.

Prohibitions include (but are not limited to):

- ◆ Use of company e-mail or mailing lists to promote a candidate.
- ◆ Use of company time to perform volunteer work for political candidates.
- ◆ Pressuring any colleague, supplier, customer or partner to make any political contribution to support any political party or candidate, even implicitly. For example, you cannot ask your subordinates to purchase tickets to a political fund-raiser.
- ◆ Contribution of company funds, property or services to any political Candidate, party or committee without the prior approval of the Law Department.

Associates must comply with all national, state and local laws regulating participation in political affairs. This includes contributions to political parties, national political committees and individual candidates.

Inappropriate Political Activity in the Workplace Looks Like:

Nancy distributes fliers, sponsoring a political candidate running for local council, in the cafeteria at work.

Tom, a team leader, uses company e-mail to solicit support for his cousin who is running for state representative.

Timothy distributes ticket purchase forms for a customer's favorite political fund-raiser.

Lobbying

OMSG complies with all laws and regulations regarding lobbying. While lobbying may be defined differently in various countries, it generally includes contact with government officials for the purpose of influencing legislation or rulemaking. When dealing with the U.S. Federal Government, OMSG must report to the U.S. Government an individual's contact with legislators, executive branch officials or their staff, government contract sales or marketing, and/or government procurements for specific purposes. Before anyone engages in any contact with government officials or other lobbying activity, including engagement of third-party consultants, the approval of the Legal Department is required.





Conflicts of Interest

Every day, each of us works with suppliers, customers, consumers and others who do business with OMSG and we make many business decisions every day. It is essential that each decision, and any related action be based on the needs of the company, not on personal interests or relationships. We must all avoid even the appearance of conflicts of personal interest and those of OMSG.

A conflict of interest is anything that might cause an individual's private interest to interfere, or even appear to interfere, in any way, with the interests of OMSG. A conflict situation can arise when an associate's actions or interests make it difficult to perform company work objectively and effectively. It is anything that might deprive OMSG of an associate's undivided loyalty as they do business on its behalf. Conflicts apply equally to business relationships and personal activities.

A conflict of interest may exist if an Associate:

- ◆ Recommends or influences, purchases or sales of goods, or services, supplier/partner selection or supplier/partner management.
- ◆ Accepts gifts, gratuities or entertainment from individuals or companies that do business or want to do business with OMSG. OMSG's policy as it relates to gifts, gratuities and entertainment is listed below.
- ◆ Is related to another party within the same supervisory chain.
- ◆ Participates in romantic and/or other intimate personal relationship between supervisors and employees in which parties are within the same supervisory chain.
- ◆ Takes opportunities for themselves personally that are discovered through the use of corporate property, information or position.
- ◆ Participates as an owner, employee, officer or director of another company.
- ◆ Uses corporate property, information, or position for personal gain.
- ◆ Owns in excess of 5% of a competitor, a supplier or partner.
- ◆ Owns stock in excess of 5% of his/her net worth in a competitor, supplier or partner.

If you serve as a director, officer, or consultant with any company that does business with OMSG you must notify the Legal Department. This policy includes volunteer positions, i.e. positions that are unpaid.

Conflicts of interest don't end when you leave the office. You must manage all business relationships that you have with your OMSG responsibilities in mind. Even outside the office, work to avoid any situations that might lead to a conflict, or the appearance of a conflict, between yourself and your work at OMSG.

In addition, if you or an immediate family member has any significant financial interest in an OMSG supplier, customer, consultant, or competitor; you must notify your local Human Resources representative. Immediate family members include your spouse/ domestic partner, as well as your or your spouse/domestic partner, parents, siblings and children.

Associates who believe they face a conflict of interest or a potential conflict of interest should notify the Legal Department for guidance.

Conflicts of Interest Look Like:

A senior executive is also on the board of directors of a corporation that supplies his company with services. The executive has not made it known to the company that he is on the other company's board.

Joseph is an employee whose sister operates a vending machine company. He learns that his plant will soon be choosing a new vending service. Joseph gives his sister the terms of the best proposal received so far. She then submits a better proposal on behalf of her company.

Maria, a supervisor, is responsible for filing an open position in her department. Maria's cousin is well-qualified and looking for a job. Instead of turning the hiring decision over to her manager, Maria hires her cousin as her direct report.





Gifts and Bribes

Giving and Receiving Gifts

It is inadvisable to accept or give any gifts or offers from anyone OMSG does business with. If the gift or offer is of significant value, accepting it can create the appearance of a conflict of interest. It could be suggested or inferred that the gift-giver might receive favorable or preferential treatment, such as purchase orders or better prices, terms or conditions of sale.

Associates may not give or receive gifts, gratuities or entertainment of more than \$200 US fair market value per fiscal year collectively from an individual customer, supplier or partner without approval from their manager and the Legal Department. Any individual gift with a value of \$200 US fair market value or more must be reported to the Legal Department. This includes gifts from another OMSG Associate for anything other than business related purposes.

OMSG must also respect the gift rules of its customers, vendors and partners. OMSG personnel must not give anything of value to those who have policies that prohibit them from receiving such gifts.

Generally, acceptable gifts are:

- ◆ Infrequent and not excessive in value; and
- ◆ Small enough so that you or the company are not embarrassed to discuss them. NEVER give to or receive a gift from a U.S. or foreign government official.

Reasonable business entertainment that is in the best interests of the company is allowed. Such entertainment must always be conducted in appropriate and lawful manner.

Bribery and Fraud

While OMSG is careful about the companies it does business with, there's always a risk that a business associate may try to "buy your favor", which is a nice way of saying bribery. Any bribe or improper payment is prohibited. In addition to cash payments, bribes include:

- ♦ Kickbacks or kickback schemes;
- ♦ Unexplained rebates; and
- ♦ Payments for advertising or other disguised allowances or expenses.

Bribes and Inappropriate Gifts Look Like:

Andreas, a project manager, is waiting for a permit for the expansion of his facility. An official at the local zoning board informs him that things could move more quickly if he paid an express fee.

Helen, a medical device representative, hosts her client, a doctor, in a weekly tennis game every Saturday at her country club.

A supplier bidding on a contract offers Teresa a fee to provide him with the amount of the lowest bid she has received so far.





Fraud

Fraud – or the act or intent to cheat, trick steal, deceive or lie – is both dishonest and in most cases, criminal. Intentional acts of fraud are subject to strict disciplinary action, including dismissal and possible civil and/or criminal action.

It's important to understand what fraud can entail, so you can recognize it and avoid mistakes. Some examples include:

- ♦ Submitting false expense reports;
- ♦ Forging or altering checks;
- ♦ Misappropriating assets or misusing company property;
- ♦ Unauthorized handling or reporting of transactions;
- ♦ Inflating sales numbers by shipping inventory known to be defective or non-conforming; and
- ♦ Making any entry on company records or financial statements that is not accurate and in accordance with proper accounting standards.

Fraud Looks Like:

Jordan's client takes him out for dinner after he makes a sales presentation at the client's company. Jordan then expenses the same US \$65 dinner.

Yin, a software-training specialist, makes copies of software programs for use on her computer at home and gives copies to all her family and friends.

Sophia, a comptroller, lends her employees money from the company, charges them interest and deposits their repayments into her personal bank account.

If you experience or witness other activities you think may be fraudulent, call the Hotline or notify the Legal Department immediately.

Antitrust

The U.S., the European Union, countries in Asia-Pacific and many other nations have antitrust laws that are designed to ensure that competition is fair and honest.

Antitrust law is designed to ensure that competition remains vigorous and free from collusion. Antitrust issues are very complex. Determining what actions are improper often depends on the structure of the market and a number of other factors.

Antitrust laws typically prohibit agreements or actions among competitors that might restrain trade or reduce competition. Under most antitrust laws, companies cannot agree with any competitor to:

- ♦ Fix or Control Prices
- ♦ Boycott Specified Supplies or Customers
- ♦ Allocate Products, Territories or Markets
- ♦ Limit the Production or Sale of Products.

It is not enough to avoid taking specific actions that violate antitrust laws. Associates must not even give the appearance of doing so.

Associates working in marketing, sales, purchasing, or acquisitions need to be especially aware of antitrust – and trade-regulation requirements. This also applies to those who participate in trade associations or industry setting groups.

To avoid even the perception of unlawful conduct, employees should avoid:

- ♦ Discussing with a competitor prices, costs, production, products and services, bidding practices, other non-public business matters, sales territories, distribution channels or customers;
- ♦ Restricting the right of a customer to sell or lease a product or service at or above a certain price.
- ♦ Conditioning or “tying” the sale or lease of a product or service on the sale or lease of another product or service;
- ♦ Conditioning the purchase, sale or lease of a product or service on a reciprocal agreement with a customer or supplier;
- ♦ Entering into an exclusive dealing arrangement with a customer or supplier;
- ♦ Limiting a customer as to the territories in which, or the customers to whom, a product or service can be resold or leased;
- ♦ Discriminating as to the prices or allowances offered to competing customers.





Doing Business with Government Organizations

Transactions with the U.S. or any other government are heavily regulated. OMSG Associates involved in sales to governmental customers must take the necessary steps to ensure that all government-related transactions and relationships comply with applicable laws and regulations.

OMSG personnel that deal directly or indirectly with federal, national, state or local government agencies around the world are required to comply with all applicable procurement and government relations laws and regulations. OMSG has implemented an ongoing program of communication and training to ensure compliance with OMSG's policy on this activity.

Anti-Bribery: Foreign Corrupt Practices Act (FCPA) & OECD Treaty Provisions

OMSG complies with the U.S. Foreign Corrupt Practices Act. Among other things, this act prohibits employees from bribing any public official, government or other individual regardless of nationality or local custom – to secure any concession, contract or favorable treatment for OMSG or the employee. Bribes include any kickbacks or other unlawful payments.

OMSG associates working outside the U.S. should be aware that payments of bribes to foreign government officials violate the FCPA and may also violate local laws outside of the U.S. In addition, the FCPA requires OMSG to maintain proper accounting controls and keep detailed records about all financial dealings with foreign governments, including payments of any kind.

OMSG also discourages “facilitating payments” which are made to help ensure that public officials perform tasks they are supposed to perform as part of his/her normal job function (such as issuing licenses or permits). All facilitating payments must be reviewed and approved by the Legal Department and accurately recorded in the appropriate financial record as a “facilitating payment”.

Export and Import

OMSG follows all national and multinational export and import control laws that apply to its products and services. Exports can occur through telephone calls, e-mail or downloads of software. Exports can also occur when technical data is disclosed to a non-U.S. person including an OMSG associate within the physical boundaries of the U.S.

OMSG personnel engaged in transactions involving export/import of products or information outside country boundaries should be familiar with the rules of governing such transactions.

Anti-boycott

OMSG complies with the Anti-boycott provisions around the world. These provisions encourage, and in some cases require, persons to refuse to participate in foreign boycotts that are not sanctioned. In the U.S., the U.S. Export Administration Act helps ensure that U.S. firms do not assist in implementing foreign policies of other nations that run counter to U.S. policy.

Any OMSG associate who receives a request to take any action in support of an unsanctioned foreign boycott must report such request to the Legal Department.





Proprietary Information (Intellectual Property)

OMSG's Intellectual Property is the heart of its success. OMSG business information is very valuable and needs to be protected.

Examples of Intellectual Property include:

- ◆ Copyrighted materials
- ◆ Patents
- ◆ Trademarks
- ◆ Trade secrets

Examples of Confidential Proprietary information include:

- ◆ Written and oral agreements between the company and employees, agents, strategic partners, and/or other third parties.
- ◆ Company financial information;
- ◆ Proprietary software or company-owned software modifications, templates, worksheets or other programs;
- ◆ Financial and other information about potential acquisitions;
- ◆ Drawings for current or potential new products;
- ◆ Customer lists and agreements, market share data, supplier agreements and other files.

OMSG expects each associate who has or may have access to proprietary information to maintain its confidentiality and not to disclose it unless provided written authorization to do so by a company official with appropriate authority. You are expected to do so by:

1. Maintaining strict confidentiality of information safeguarded to you; and
2. Not sharing that information with anyone, even a co-worker, who does not need to know.

In addition, information provided to OMSG in good faith by our customers and suppliers must be treated with the same degree of confidentiality.

Your obligations to confidentiality extend beyond your tenure at OMSG. Even after you leave, OMSG, you may not disclose or in any way provide confidential information. At the same time, you may not disclose confidential information that you may have obtained at a previous employer, including, but not limited to, trade secrets.

Improper use of Proprietary Information Looks Like:

Samantha uses a proprietary process she learned from her brother-in-law's work. Her brother-in-law's company had never publicly revealed the process.

Karla, an assistant to the engineering manager, copies designs of a new electronic relay and gives them to her friend who applies for a patent under his name.

Leo, an employee of a fire protection installation company, is responsible for gathering data about the company's customers. Leo provides this information to his friend's brother who runs a fire protection industry marketing firm.





Use of Company Resources

OMSG expects every associate to be prudent about expenditures of company money. Associates must use good judgment and discretion when using any company or customer-owned resources, including computers, telephones, internet access, e-mail, voice mail, copiers, fax systems, vehicles or other equipment and facilities.

OMSG realizes that minor, incidental and infrequent personal use of company assets is sometimes inevitable and will accept such use as long as it does not compromise the company's interests. Personal use is not acceptable if it significantly depletes the value of a company asset, adds significant costs to the company, interferes with productivity of the employee or places the company at risk of liability.

OMSG's company property – its building, vehicles, equipment and supplies – is in place to enable employees to perform the business-related duties that their positions require. The use of company property is for the sole purpose of conducting business-related tasks.

All Communication data and information sent or received using company properties while you are working at OMSG are company property and are not private communications. OMSG owns and/or controls access to all communication equipment, including computers, software, e-mail, voice mail, conferencing equipment and office supplies. OMSG reserves the right to monitor all communications including Internet usage.

The company recognizes that you may need to use company equipment and/or communications from time to time for personal use. In general, this is allowed provided such use:

- ♦ Is limited in duration or extent;
- ♦ Does not adversely affect your attention to or completion of your job responsibilities;
- ♦ Does not result in any significant incremental cost to the company.
- ♦ Does not contain pornographic or offensive material, discriminatory or harassing language or derogatory references to age, color, disability, ethnicity, marital or family status, national origin, race, religion, gender, sexual orientation, veteran status or any other characteristic protected by law.
- ♦ Does not otherwise violate the Code of Conduct particularly the sections related to conflicts of interest and/or disclosure of confidential information.

Software

In general, the only software that should be loaded on your computer is that which the company has approved and purchased. In many cases, it is illegal to copy, download or distribute software or other materials or files that are protected by copyright.

Even so called “free-ware” or “share-ware” electronic programs and files available at no cost from the Internet—are prohibited, as they can serve as a source of materials for disabling computer viruses.

Improper Use of E-Mail, Internet and Other Company Communications Looks Like:

Bruce receives a joke with sexual overtones from an old college friend on his work e-mail. He passes it along to co-workers.

Upset that she has been temporarily laid off; Donna goes to a widely used financial bulletin board on the Internet and posts a long message about how her company has mistreated her.

Bill’s former company used a proprietary Excel spreadsheet to allocate bonuses among employees. Without permission from his prior company, Bill uses that spreadsheet to create a similar tool for his new employer.





Records and Information Management

OMSG is responsible for ensuring that its business records, in any medium including hard copy and electronic, are created, managed and disposed of properly. An effective, efficient records and information management program allows OMSG to meet its business needs as well as comply with all legal and regulatory obligations.

Accurate, timely financial records provide the core information that is necessary to manage our business. These records also are essential to fulfilling obligations to our shareholders, governments and the general public at large.

In general, all internal and external financial records and information must follow:

- ◆ Generally accepted accounting principles; and
- ◆ Effective internal controls, including procedures to protect the company's assets.

All business transactions must be properly authorized, as well as, completely and accurately recorded on the company's books. Procedures for doing so must comply with OMSG's financial policy and follow OMSG's policy for authorization and documentation, as well as follow generally accepted accounting practices.

Budget proposals and another financial evaluations and forecasts must fairly represent all information relevant to the decision. In addition, no unrecorded cash funds or other asset accounts will be established or maintained for any purpose.

Misapplication or improper use of corporate or customers' funds or property or false entry to records by employees or others must be reported to the Legal Department. Any such behavior may result in disciplinary action up to and including termination.

Note that financial information can be made available outside the company only with proper prior authorization. All such requests should be reported immediately to the Legal Department. The Legal Department will determine the appropriate response and give the necessary authorization prior to any employee's providing documentation to outside parties.

Improper Financial Records and Poor Controls Look Like:

Tim, an accounting clerk is asked by his supervisor to charge ordinary operating expenses against a special accounting reserve. When he objects that this is improper and would artificially inflate income numbers, he is told that the annual bonuses of the entire team depend on making income targets. He is also told that if he won't book the income as directed, his supervisor "will find someone else who will".

Dan a director in the company, instructs his direct reports to expense equipment purchased for his own use/benefit on their monthly travel and expense report. This practice bypasses the approval process in place.





Saving Documents and Files

To help maintain the integrity of your business unit's record-keeping and reporting systems, you must know your area's records retention procedures, including how data is stored and retrieved. It is your responsibility to know how to document and transact any entries or records that you are responsible for.

OMSG's document retention policy currently specifies that all documents must be retained for legal and business purposes. Specifically,

- ◆ No document, including originals, drafts, duplicates, as well as computer files, disk drives, hard disks, floppy disks, CD ROMs or any other media, may be destroyed altered or removed from any file or premises where it is stored other than in accordance with OMSG's established document retention policy.
- ◆ Communicating false or derogatory information, as well as altering or the unauthorized destruction of any document, is a violation of company policy and in many cases, illegal. Anyone doing so is subject to strict disciplinary action, including termination, as well as referral to appropriate authorities.

All employees are expected to comply fully and accurately with all audits, including responding in a timely fashion to requests for:

- ◆ Special record-keeping or retention of documents; and
- ◆ Documents or other material from or on behalf of OMSG's auditors, Human Resources Department, Corporate Law Department or management.

Improper Financial Records and Poor Controls Look Like:

Kevin, an IT administrator, implements a password system that requires password rotation every 90 days for key individuals in the company. All other computers have no password system. He reasons that only the VIP's computers need to be protected.

Karen, an accounting clerk is told by her supervisor to book an adjustment to accrued liabilities to build-up reserves for a "rainy day".

Jose's supervisor has instructed all the accounts payable staff to postpone recognizing the expenses incurred for selected projects to improve the company's quarterly financial results.





Final Thoughts

Doing what is right is absolutely essential to our long-term success, both as a company and as individuals. We all want to do the right thing. With common sense, ethics, vigilance and teamwork, all of us at OMSG can and will succeed.

As previously stated, the Code is not all encompassing. If you have any questions or concerns, remember, you have numerous avenues to have your questions answered. Again, OMSG encourages you to speak to your manager; contact your local Human Resources Representative; and if you wish to remain anonymous, contact the Legal Department or the Hotline. It is your responsibility to ask questions when you have a concern and to report issues. We cannot stress enough that sound business practices and compliance with laws are the responsibility of all OMSG associates.

My commitment statement:

I confirm that I have read and understand the OMSG Code of Conduct (Code) and I commit to embrace and utilize the Code principles in my daily work activities. I understand that consistent with applicable local law every OMSG associate is required to comply with the Code. I am not aware of any unreported violations of the Code. Should I have a concern about a possible violation of the Code or other OMSG policy, I will raise the concern through the appropriate channels as outlined in the Code.

Date: _____

Name: _____

Signature: _____





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