



ANTI-BRIBERY AND CORRUPTION POLICY

Policy	Anti-bribery and Corruption Policy				
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Owner	Human Resources				

ANTI-BRIBERY AND CORRUPTION POLICY

1. PURPOSE

This policy aims to prevent National and its employees from intentionally or inadvertently violating anti-bribery and corruption laws around the globe. In so doing, it is National's goal to contribute to building an ethical, competitive global marketplace where bribes play no role and work is awarded to the company that does the best job for the best price.

2. SCOPE

This policy applies to all National employees, officers, directors, and any agents, subsidiaries, joint ventures, consultants, brokers, or other individuals, intermediaries, contractors, distributors, suppliers or entities over which National has control (collectively referred to as "National Employees and Representatives").

3. DEFINITIONS

- **Bribery** - A bribe is an offer or promise to give, or the giving of, anything of value or any other advantage intended to influence actions improperly, such as to get or keep business. Bribes can be money, gifts, hospitality, expenses, favors, business or employment opportunities, political or charitable contributions, or any other direct or indirect benefit or consideration given improperly to influence actions.

4. GENERAL ANTI-BRIBERY RULE

4.1. General Rule

National Employees and Representatives are strictly prohibited from paying a bribe to, or receiving a bribe from, any third party, public or private.

National is committed to complying with all applicable anti-bribery laws such as the Foreign Corrupt Practices Act (the "FCPA") of the United States, the Bribery Act 2010 of the United Kingdom (the "UK Bribery Act"), and the anti-bribery laws of all countries in which National operates (together, the "Anti-Corruption Laws"). Anti-Corruption Laws make it a crime to pay a bribe to or receive a bribe from a foreign government official or many private sector employees, either directly or indirectly. (See Section 4.2 below for the definition of a foreign official.)

4.2. Bribes to Foreign Officials

Many Anti-Corruption Laws, including the United States' FCPA, specifically prohibit bribes to any officer or employee of:

- A foreign government, or any department, agency or instrumentality thereof, such as national oil companies, state-owned mining companies or departments of transportation;
- A government-owned or government-controlled company;
- A public international organization, such as Import/Export Bank; or
- A political party, or a political candidate.

National employees (and those listed in Section 4.1 above) must be extremely cautious when dealing with these officials because violations of such Anti-Corruption Laws have serious penalties.

To be clear, other Anti-Corruption Laws, such as the UK Bribery Act, prohibit bribes among the private sector as well, without any involvement of officials. Hence, the safest approach is simple: Do Not Bribe Anyone!

4.3. Caution: Bribes Disguised as Charitable Contributions

Be careful in making political or charitable contributions. Contributions to political parties, party officials, candidates, organizations or individuals engaged in politics, or charities or sponsorships, whether direct or indirect, must not be a subterfuge for bribery or contrary to applicable law. Employees should consult with National's General Counsel or one of its Ethics Officers before making any political or charitable contributions on behalf of National, or as an individual if the payment could in any way be construed to influence an official to award business to National.

5. FACILITATION PAYMENTS, A POSSIBLE EXCEPTION TO BRIBERY LAWS

5.1. Facilitation Payments Under the U.S.'s FCPA

The FCPA allows "facilitating or expediting" payments in extremely limited circumstances. The FCPA describes "facilitation" payments as payments intended to expedite or secure the performance of routine governmental action. The FCPA notes that these generally are small payments to "speed up" or "encourage" an otherwise routine government action, such as processing visas or work permits, customs clearances, adequate police protection or providing phone or water service. Routine government action does not include any discretionary action, such as a decision whether, or on what terms to enter into a business arrangement or approve a permit, or any action taken by someone to influence such a decision.

5.2. Facilitation Payments Under the U. K.'s Bribery Act

On the other hand, some Anti-Corruption Laws strictly prohibit facilitation payments. The UK Bribery Act, which may apply to National and its employees in many countries around the globe, is one such law.

5.3. Facilitation Payments Under National's Company Policy

National recognizes that the distinction between a bribe and a facilitation payment is often difficult to define. Accordingly, National's policy is to prohibit "facilitating or expediting" payments on behalf of the Company, except in the rarest of circumstances. All of the following are required:

- 5.3.1.** Pre-approved in writing by either National's General Counsel, a Director level manager or above in the employee's department, or one of National's Ethics Officers (see discussion of Duress in Section 5.4, below, for when obtaining pre-approval is impossible); AND
- 5.3.2.** Allowed under the Anti-Corruption Laws of the country where the facilitation payment would be made; AND
- 5.3.3.** Subsequently reported to National's VP of Finance or one of National's Ethics Officers who will ensure the payment is properly and accurately accounted for in National's records.

5.4. Payments Made Under Duress

If there is an immediate and credible threat to an employee's physical safety or security and it is not reasonably possible to get advance approval for a proposed facilitation-type payment, the payment may be made without prior approval. In such circumstances, it is very likely that the payment is not the type of business-related payment prohibited by Anti-Corruption Laws. Even so, if such payment is ever made, the payment and the presence of an immediate and credible threat must be promptly documented in writing (email is acceptable) and reported to National's General Counsel or one of its Ethics Officers.

6. LEGITIMATE EXPENDITURES MADE IN CONNECTION WITH GOVERNMENT OFFICIALS

Under limited circumstances, certain Anti-Corruption Laws may allow for bona fide expenditures in connection with government officials. For example, some expenses directly related to program evaluation and performance may be permissible (such as reasonable travel expenses covered by National to bring a government official to view operations or inspect aircraft). Employees should consult with National's General Counsel or one of its Ethics Officers before offering or covering any payments on behalf of any official. This will allow National to properly evaluate whether such travel or entertainment is allowed and, if so, then to properly document the expenditure.

7. VIOLATIONS OF THIS POLICY AND/OR ANTI-CORRUPTION LAWS

Violations of this policy may result in disciplinary action up to and including termination. In addition, breaches of any Anti-Corruption Law may subject an employee to civil and criminal penalties. Employees should be aware of issues possibly related to bribery activities and should contact National's General Counsel or one of its Ethics Officers with any questions or concerns.

8. COMMUNICATIONS AND REPORTING

8.1. Encouraging Open Communication

No policy can anticipate every situation that may arise. Accordingly, this policy is not meant to be all-inclusive, but rather is intended to serve as a source of guiding principles and to encourage communication and dialogue concerning standards of conduct addressed in this policy. Employees are encouraged to contact either of National's Ethics Officers to discuss particular circumstances that may implicate this policy or simply to discuss National's anti-corruption policies and efforts more broadly.

8.2. Reporting Obligations

Employees who suspect that this policy is not being followed are required to report the circumstances to a Director in their department, to either of National's Ethics Officers or through National's confidential ethics portal. Reports made via the portal may be made anonymously, although employees are encouraged to identify themselves so that the investigation can be more thorough and accomplished more quickly.

8.3. No Retaliation

Retaliation for reports of misconduct by others made in good faith is illegal. National will not permit retaliation of any kind against any employee for reporting misconduct in good faith.

9. RECORD OF REVISION

Rev #	Issue Date	Description of Change	Author
0	5/2009	Original issue	Dave Maus
1	7/20/2012	Removed non-pertinent information, updated all references and verified areas of legality. Board approved at 7/20/2012 meeting. TK	Shirley Kaufman