



PENTAGON FREIGHT SERVICES

INTERNATIONAL

CODE OF CONDUCT



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MANAGING DIRECTOR'S LETTER REGARDING INTERNATIONAL CODE OF CONDUCT

Pentagon Freight Services is committed to the highest standards of honesty and integrity. The Pentagon International Code of Conduct helps us meet this commitment by setting forth in clear, concise language the standards we expect from our employees and in our workplace

An organization's values and its reputation are determined by the conduct of its people. We are proud of Pentagon's stature in the global business community and are dedicated to the maintenance of exemplary standards in all that we do. Our International Code of Conduct, and the standards it represents, will assist all of us in performing our jobs in an ethical manner. Adherence to the Code will serve to ensure that Pentagon remains known for honesty and integrity.

Every one of us at Pentagon should carefully read and understand this Code of Conduct. We are all individually responsible for compliance with it and our other policies. By consistently and continuously adhering to this Code, we can each play our part in meeting the expectations of our stakeholders.

Geoff R. Smith

Managing Director, Pentagon Group



PENTAGON FREIGHT SERVICES INTERNATIONAL CODE OF CONDUCT

INTRODUCTION

Pentagon Freight Services is committed to the highest standards of business conduct and ethics. This International Code of Conduct reflects the business practices and values that implement that commitment. We expect every employee, officer and director to read and understand the Code and its application to the performance of his or her duties on behalf of the company. Supervisors also are expected to ensure that all agents and contractors conform to Code standards when working for or on behalf of the company.

Although the Code cannot address every practice or principle related to honest and ethical conduct, the Code does address conduct that is particularly important to proper dealings with the people and firms with which we all interact, including our coworkers, clients, contractors, vendors, investors, and the government agencies that regulate our activities. From time to time the company may adopt additional policies and procedures with which our employees, officers and directors are expected to comply. However, in circumstances where there is no stated policy in the Code, it is the responsibility of each employee to apply his or her own highest personal ethical standards guided by the principles expressed in the Code in making business decisions. The integrity and reputation of the company depends on the honesty, fairness and integrity brought to the company's business operations by each person associated with Pentagon Freight Services.

RESPECT FOR PEOPLE AND NONDISCRIMINATION

The policy of Pentagon Freight Services is to treat its employees with fairness and respect. The company is an equal opportunity employer, and we do not tolerate discrimination against applicants or employees based on race, color, religion, sex, age, marital status, national origin, sexual orientation, citizenship status, or disability. We prohibit discrimination in decisions concerning recruitment, hiring, compensation, benefits, training, termination, promotions, or any other condition of employment or career development.

The company is committed to providing a work environment that is free from any type of discrimination or harassment, and the use of discriminatory slurs, unwelcome unsolicited sexual advances or harassment, or any other remarks, jokes or conduct that creates or fosters an offensive or hostile work environment will not be tolerated. Clients, coworkers and outside firms must be treated with respect and civility.

HEALTH AND SAFETY

The company has implemented policies and procedures to provide a safe and healthful work environment. Employees are expected to follow safety and health rules and practices, and employees have a responsibility to report accidents, injuries and unsafe equipment, practices, or conditions to a designated safety representative, project supervisor or a more senior manager. Furthermore, violent, threatening or other unsafe behaviors are prohibited in the company's workplaces. Likewise, to maintain a safe workplace where employees can best



perform their duties, the use or being under the influence of drugs or alcohol in the workplace is prohibited.

LEGAL COMPLIANCE

The company's success depends upon each employee operating within legal guidelines and cooperating with local, national and international governmental requirements. Employees, therefore, must understand the legal and regulatory obligations that apply to their business unit and area of responsibility. The company holds periodic training sessions to ensure that all employees comply with the relevant laws, rules and regulations associated with their employment. If you have a specific question, do not hesitate to seek answers from your Regional Compliance Manager. He or she will answer your question, or forward the question to an attorney to obtain appropriate legal advice. The company will not tolerate disregard of the law, and thus you are encouraged to seek guidance if certain activities seem suspicious. It is both in the company's and your interest to seek such guidance because a violation of domestic or foreign laws, rules and regulations may subject an individual, as well as Pentagon Freight Services, to civil and/or criminal penalties. You should be aware that conduct and records, including emails, are subject to internal and external audits, as well as to discovery by third parties in the event of a government investigation or lawsuit.

INTERNATIONAL BUSINESS OPERATIONS

Our employees are expected to comply with the applicable laws in all countries to which they travel, in which they operate and where we otherwise do business, including laws that prohibit bribery, corruption and conducting business with designated individuals, companies or countries. U.S. employees must also comply with U.S. laws, rules and regulations that govern the conduct of business by U.S. citizens and corporations outside the U.S.A.

The scope of these laws, regulations, and procedures are covered in more detail in Pentagon Freight Services' Compliance Manual.

ANTITRUST

Antitrust laws are designed to protect the competitive process by prohibiting illegal agreements and collusion among competitors. Antitrust laws generally prohibit:

- agreements, formal or informal, with competitors that harm competition or customers, including price fixing and allocations of customers, territories or contracts;
- agreements, formal or informal, that establish or fix the price at which a customer may resell a product; and
- the acquisition or maintenance of a monopoly or attempted monopoly through anticompetitive conduct.

Employees should not exchange with competitors certain kinds of information, such as pricing, production and inventory and, in the context of government procurements, competitors' bid and proposal information and "source selection information," in any kind of setting, business or



social. Antitrust laws impose severe penalties for certain types of violations, including criminal penalties and potential fines and damages of millions of dollars. It can be difficult to understand the complexities of antitrust and unfair competition laws in the various jurisdictions where we do business. Therefore, you are encouraged to seek guidance from your Regional Compliance Manager if you have a question regarding these laws.

CONFLICTS OF INTEREST

Pentagon Freight Services expects its employees to be free from influences that conflict with the company's best interests, or that might interfere with the performance of their duties as employees. Employees should have undivided loyalty in connection with their employment. Improper influences, or "Conflicts of Interest," are prohibited unless specifically authorized by the Regional Compliance Manager. Even the appearance of a conflict of interest can be damaging to the company even where none actually exists, and therefore should be avoided whenever possible.

FAIR DEALING

Pentagon Freight Services prohibits unethical or illegal business practices to gain an advantage over our competitors, including acquiring proprietary information from others through improper means, possessing trade secret information that was improperly obtained, or inducing improper disclosure of confidential information from past or present employees of other companies. If proprietary information or information that may constitute a trade secret belonging to another business is obtained mistakenly, or if you have any questions about the legality of proposed information gathering, you should consult your Regional Compliance Officer.

Pentagon Freight Services employees are expected to deal fairly with their customers, suppliers, employees and anyone else with whom they have contact in the course of performing their jobs. Be aware that unfair methods of competition and unfair or deceptive acts or practices in commerce are unlawful. Employees involved in procurement have a special responsibility to follow principles of fair competition when they purchase products and services by selecting suppliers based exclusively on normal commercial considerations, such as quality, cost, availability, service and reputation, and not because they have received or been promised special favors.

GIFTS AND ENTERTAINMENT

Pentagon Freight Services employees are prohibited from providing entertainment and gifts to gain improper advantage with customers or to facilitate approvals from government officials. 'Facilitation payments' to government officials, usually defined as small payments or gifts given in order to facilitate or expedite routine governmental action, are bribes. Employees are strictly prohibited from offering, providing, or offering to provide such payments or gifts. Entertainment and gifts cannot be offered, provided or accepted by any employee unless consistent with customary business practices and they (a) are of a nominal value (Euro 150 or an equivalent amount in local currency), (b) are not made in cash, (c) do not consist of travel or lodging, (d) are not susceptible of being construed as a bribe or kickback (e) and are not in violation of any



laws. Any gift that could create an obligation to the donor or recipient, or influence the business relationship with the donor or recipient, should not be offered, provided or accepted. These principles apply to our transactions everywhere in the world, even where the practice is widely considered “a way of doing business.” Employees should not accept gifts or entertainment that may reasonably be deemed to affect their judgment or actions in the performance of their duties. Be aware that under some laws, giving anything of value to a government official to obtain or retain business or favorable treatment is a criminal act subject to prosecution and conviction. Please contact your Regional Compliance Manager to discuss any proposed entertainment or gifts if you are uncertain whether or not they are appropriate. If, for any reason, you intend to provide any gift to a government official or employee, it must be in strict compliance with applicable laws, and you must first obtain approval from the Global Compliance Director.

PROTECTING COMPANY ASSETS

Pentagon Freight Services employees are expected to protect company assets. Theft, carelessness and waste directly impacts profitability. Company property, such as office supplies, computer equipment and software, records, customer information, manpower, Pentagon Freight Services names and trademarks, physical plants and services, are expected to be used only for legitimate business purposes, although incidental personal use may be permitted. Employees may not, however, use the company’s corporate name, any brand name or trademark owned or associated with Pentagon Freight Services or any letterhead stationery for any personal purpose.

Employees should be aware that we retain the right to access, review, monitor and disclose any information transmitted, received or stored using our electronic equipment, with or without an employee’s or third party’s knowledge, consent or approval and in accordance with applicable law, and employees should have no expectation of privacy in connection with this equipment. Any misuse or suspected misuse of our assets must be immediately reported to your supervisor or the Regional Compliance Manager.

CONFIDENTIALITY

One of the company’s key assets is its confidential information. Employees who have received or have access to confidential information are obligated to keep this information confidential. Confidential information may include business, marketing and service plans, financial information, engineering and manufacturing ideas, designs, databases, configuration of our computer systems, customer lists, pricing strategies, marketing materials, personnel data, personally identifiable information pertaining to our employees (e.g., salary, bonus or performance-appraisal data), customers or other individuals (e.g., names, addresses, telephone numbers and social security numbers), and similar types of information provided to us by our customers, suppliers and partners. This information may be protected by patent, trademark, copyright and trade secret laws.

Pentagon Freight Services works closely with other companies and organizations and our employees may at times learn confidential information about other companies before that



information has been made available to the public. You must treat this information in the same manner as you are required to treat our confidential and proprietary information. There may even be times when you must treat as confidential the fact that we have an interest in, or are involved with, another company.

Pentagon Freight Services employees must also take precautions not to inadvertently disclose confidential information. Materials that contain confidential information, such as memos, notebooks, computer disks and laptop computers should be stored securely. To that end, your computer or voicemail passwords should be carefully protected. If you have reason to believe that your password or the security of a Pentagon Freight Services technological resource has been compromised, you should change your password immediately and report the incident to your supervisor and the applicable system administrator.

Unauthorized posting or discussion of any information concerning our business, information or prospects on the Internet is prohibited. You may not discuss our business, information or prospects in any “chat room” or on any “blog,” regardless of whether you use your own name or a pseudonym. Be cautious when discussing sensitive information in public places like elevators, airports, restaurants. All Pentagon Freight Services emails, voicemails and other communications are presumed confidential and should not be forwarded or otherwise disseminated outside of the company, except when required for legitimate business purposes. Additionally, you must not include sensitive or confidential information in any messages that are widely distributed or sent outside of the company unless you use company-approved security techniques.

MAINTAINING ACCURATE BOOKS AND RECORDS

The integrity of our books and records depends on the validity, accuracy and completeness of the information supporting the entries to our books of account. Therefore, our corporate and business records should be completed accurately and honestly. The making of false or misleading entries is strictly prohibited. Our records are the foundation for managing our business and are essential in meeting our obligations to customers, suppliers, creditors, employees and others with whom we do business. Consequently, our books, records and accounts must accurately and fairly reflect our assets, liabilities, revenues, costs and expenses, as well as all transactions and changes in assets and liabilities. Any employee who becomes aware of any violation of these standards has an obligation to report his or her knowledge promptly to your Regional Compliance Manager.

TRAINING AND GUIDANCE

To facilitate compliance with this Code, Pentagon Freight Services has implemented a program of Code awareness, training and review. The Regional Compliance Manager oversees this program, and can address any questions or concerns. We have designated your Regional Compliance Manager to answer questions or address concerns with respect to potential violations of this Code. The Regional Compliance Manager will work with the Global Compliance Director to:



- investigate possible violations of the Code;
- oversee the training of new employees in Code policies;
- oversee the conduct of periodic training sessions to refresh employees' familiarity with the Code;
- distribute copies of the Code annually to each employee with a reminder that each employee is responsible for reading, understanding and complying with the Code;
- update the Code as needed and alerting employees to any updates; and
- otherwise promote an atmosphere of responsible and ethical conduct.

Your most immediate resource for any matter related to the Code is your supervisor. He or she may have the information you need, or may be able to refer the question to another appropriate source. There may, however, be times when you prefer not to go to your supervisor. In these instances, you should feel free to discuss your concern with your Regional Compliance Manager.

REPORTING POSSIBLE VIOLATIONS

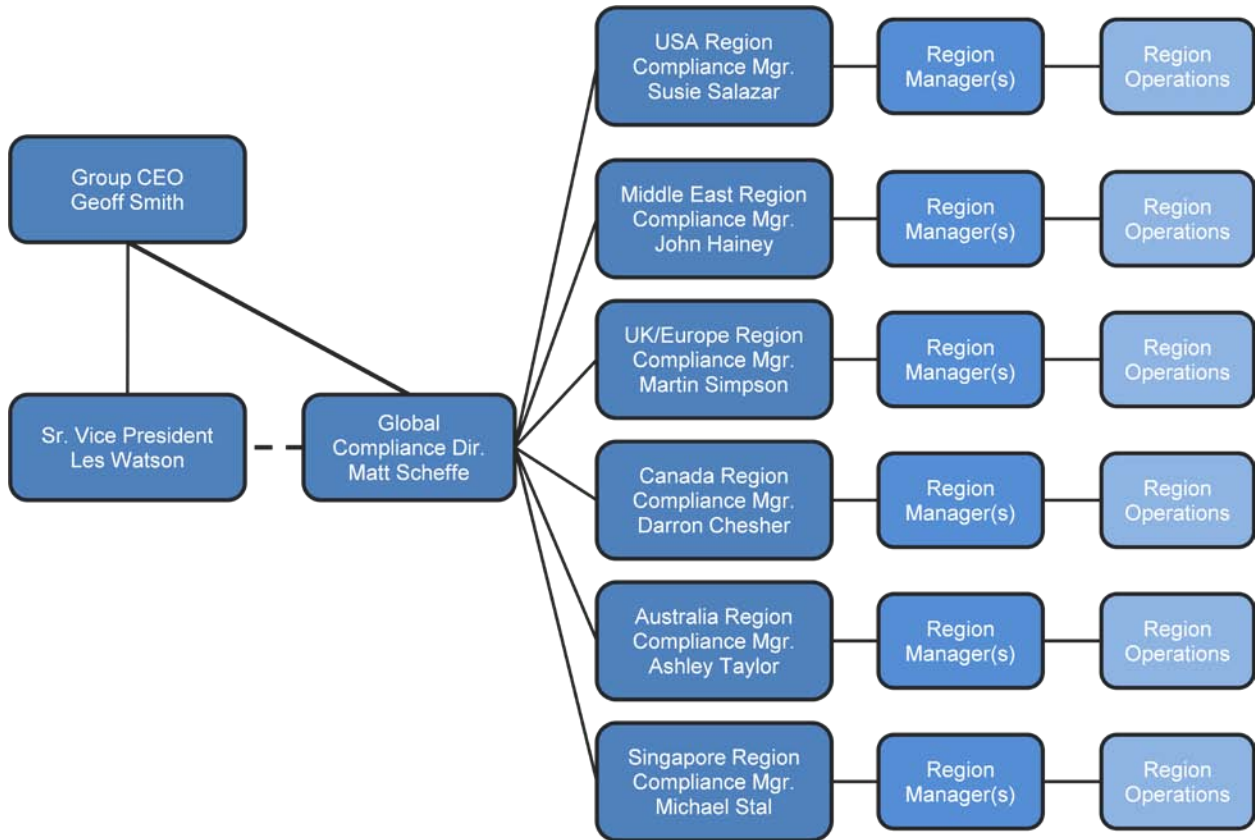
If you are considering a course of action and are uncertain whether it is appropriate, discuss the matter promptly with your supervisor or the Regional Compliance Manager. Even the appearance of impropriety can be very damaging to the company and should be avoided. If you are aware of a suspected or actual violation of Code standards by others, you have a responsibility to report it. You should provide promptly a specific description of the violation that you believe has occurred, including any information you have about the persons involved and the time of the violation. Whether you choose to speak with your supervisor or the Regional Compliance Manager, you should do so without fear of any form of retaliation. An employee who retaliates against you will be subject to review and remedial action, up to and including possible termination of his or her employment.

Managers and Supervisors must promptly report any complaints or observations of Code violations to the Regional Compliance Manager. If you believe your supervisor has not taken appropriate action, you should contact the Regional Compliance Manager or the Global Compliance Director directly. He or she will investigate all reported possible Code violations promptly and with the highest degree of confidentiality that is possible under the specific circumstances.

Pentagon Freight Services also has a Hotline at 281-209-8800, Ext 225 or at compliance@pfshouston.com available to employees who wish to ask questions about Pentagon Freight Services policy, seek guidance on specific situations or report violations of the Code. You may call the hotline number anonymously if you prefer, although the Regional Compliance Manager will be unable to obtain follow-up details from you that may be necessary to investigate the matter. Whether you identify yourself or remain anonymous, your telephone contact with the Pentagon Freight Services Ethics Hotline will be kept strictly confidential to the extent reasonably possible within the objectives of the Code.



GLOBAL COMPLIANCE STRUCTURE





REGIONAL COMPLIANCE OFFICERS

Global Compliance Director
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