



Code of Conduct

caring  
innovation  
*trust*  
excellence



## LDI PURPOSE

We work every day to make lives better for our employees, suppliers, customers and communities.

## OUR STRATEGIC ADVANTAGE

We will win by delivering superior solutions that small players can't and the giants won't.

## LDI VALUES



### CARING

**Do the right thing!**

I care deeply about others.

How I treat others.

How I make decisions—big or small.

How I show gratitude.

How I serve customers.

How I take care of my co-workers.

How I honor our communities.

How I respect the environment.



### INNOVATION

**We deliver superior solutions!**

I work to have unquestionable integrity.

I bring my best ideas.

I listen.

I learn.

I never give up.

I recognize achievements.

Customers count on my ability to know what they need.

As an employee I count on being heard.



### TRUST

**We earn it!**

I do what I say and say what I mean.

I strive to be authentic.

I stand for accountability.

I will believe positive intent.

My words and actions align.



### EXCELLENCE

**Everyone leads!**

I will work to lead in my role everyday.

I work to improve myself, my team and our business.

I want the best for our customers.

I will work to be my best example to someone else.

I will work to lead the best I can from my position.

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## Statement of Scope

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This Code applies to all employees of LDI, its subsidiaries, and joint ventures worldwide. Contract workers, consultants, agents, and representatives are required to observe the same standards of conduct as LDI employees when conducting business for LDI. Any LDI employee who retains such individuals is responsible for ensuring compliance with this Code.

## Statement of Principles

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LDI is committed to complying with all laws and meeting or exceeding regulations wherever we conduct business. Each employee contributes to the care and maintenance of LDI's most important asset - our integrity. Each employee must help protect and preserve that asset. This Code will assist you in guiding your conduct.

Your observance of this Code will help assure that LDI and LDI's long-standing reputation for honesty and fair dealing will continue.

LDI intends to enforce the provisions of this Code vigorously. Violations could lead to sanctions, including dismissal for cause, as well as, in some cases, civil, and criminal liability.

### **You should be able to answer “yes” to the following questions before taking any action:**

- **Is my action the right thing to do?**
- **Can my action withstand public scrutiny?**
- **Will my action protect LDI's reputation as an ethical company?**

If your answers are not an unqualified “yes,” you should review your proposed action with your manager or LDI's general counsel before proceeding.

## Introduction

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***No corporate code can cover every possible question of business conduct. When in doubt — ask before you act.***

Each employee is responsible to uphold this Code. LDI's general counsel is the corporate officer who will administer LDI's overall compliance program.

There will be times when you may be unsure about how this Code applies. In such cases, contact LDI's general counsel at 763/536-6627.

## 1. Discipline

***Violations of this Code may lead to serious sanctions, including fines, prison terms, and termination of employment for cause.***

***Employees who withhold information concerning another employee's violation of law or LDI's policies will also be subject to discipline.***

The conduct of each employee is a vital matter to LDI. Employees who violate the law expose themselves and LDI to substantial penalties. Protecting LDI's reputation is every employee's responsibility. Any employee subject to a collective bargaining agreement will also be covered by the contract to the extent it applies, including any provisions governing rights of appeal.

## 2. Reporting

***Report all violations of this Code. If you make a report, it will be investigated.***

LDI encourages the reporting of potential violations of the Code by all employees. If you believe that an LDI employee, contract worker, consultant, agent, representative, or an LDI operation is violating the law or LDI policies or is engaging in activities that are unsafe or could damage LDI's reputation, or if unsafe conditions exist at an LDI operation, you should bring your information to the attention of:

- Your immediate supervisor
- Your human resources manager
- Your business unit leader/general manager
- LDI's general counsel
- LDI's vice president of human resources
- An independent report through the Ethics Hotline at 1/888-572-8791 or [www.LibertyDiversified.EthicsPoint.com](http://www.LibertyDiversified.EthicsPoint.com)

An independent company retained by LDI manages the Ethics Hotline. In bringing your concerns or questions to any of the above, you may remain anonymous if you wish. Retaliation of any kind against an employee who makes a report in good faith is prohibited. When you bring your concerns about other employees to any of the above, you will not suffer any adverse company action.

When LDI receives allegations of a Code violation, it will immediately undertake a fair, timely, thorough and objective investigation of the allegations in accordance with all legal requirements. LDI will maintain confidentiality to the extent possible; however, complete confidentiality cannot be promised. LDI's duty to investigate and take corrective action may require the disclosure of information to individuals with a need to know.

Any supervisor, representative or member of management who is notified of a potential violation is responsible for immediately communicating the reported violation to his or her supervisor, or directly to the Legal Department.

Make International reports through the Ethics Hotline by phone or internet.

***By phone:***

| <b>Country</b>           | <b>AT&amp;T Access Code</b> | <b>Toll-free Number</b> |
|--------------------------|-----------------------------|-------------------------|
| Mexico                   | 01-800-288-2872             | 888-572-8791            |
| Mexico Por Cobrar        | 01-800-112-2020             |                         |
| United States and Canada |                             | 888-572-8791            |

***By internet:*** [www.LibertyDiversified.EthicsPoint.com](http://www.LibertyDiversified.EthicsPoint.com)

### 3. Proper Accounting Practices

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***LDI operations worldwide must comply with all laws relating to accurate and complete financial books and records. Each employee must help maintain the integrity and accuracy of LDI's financial records.***

No Code can review the extensive accounting requirements that LDI must fulfill. All LDI books and records must be maintained in accordance with generally accepted accounting principles, LDI's fiscal procedures, and with all local and national laws governing such books and records. To meet these obligations, however, LDI must rely on employee truthfulness in accounting practices. Employees must not knowingly participate in any misstatement of LDI's accounts. At the same time, no circumstances justify the maintenance of "off-the-books" accounts to facilitate questionable or illegal payments. If you are unsure about an accounting practice, contact the corporate controller at 763-536-6659.

### 4. Nondiscrimination

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***Discrimination has no place in workplace decisions.***

LDI is committed to allowing employees to progress based on their talents. No hiring or employment decision may be based on, for example, an employee's or employment applicant's race, color, gender, religion, creed, sexual orientation, age, national origin, marital status, disability, veteran status, or any other protected class. Each employee is subject to this standard. The vice president of human resources is the officer responsible for enforcement of this policy.

### 5. Anti-Harassment

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***Harassment of employees will not be tolerated.***

LDI expects all personnel to follow a simple standard: all employees must be treated with respect. "Harassment" covers a wide spectrum of conduct, e.g., unwelcome sexual advances or racial epithets. This Code sets a simple standard and everyone associated with LDI must comply. See Appendix for full policy.

### 6. Health, Safety, and Environmental

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***LDI will conduct business at all times in compliance with appropriate health, safety, and environmental laws and regulations.***

It is LDI's policy to develop products that minimize impacts to the environment, are safe for employees to manufacture, and safe for customers to use.

It is LDI's policy to operate its facilities in a manner that protects its employees, the public, and the environment.

## 7. Bribes and Kickbacks

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***LDI's policy strictly prohibits any employee from making or offering to make a bribe or provide a kickback. Bribery, kickbacks or other improper payments have no place in LDI's business.***

LDI will win business based on our ethical reputation and the quality of our products and services, not by improperly influencing others to make business decisions through offers of bribes or kickbacks. Bribes and kickbacks are illegal in every country in which LDI operates. Any offer or payment of anything of value to influence an individual's business decision or government action could be considered a bribe or kickback, and is **strictly prohibited** by LDI. Both the offer and the actual payment of anything of value, whether directly by an employee or by a third party acting on LDI's behalf, are illegal and violate this Code. If you are uncertain whether your actions could be perceived as a bribe or kickback, you should contact the general counsel at 763/536-6627 before acting.

The U.S. Foreign Corrupt Practices Act (FCPA) prohibits payments, gifts, or contributions to officials or employees of any foreign government or government-owned business for the purpose of getting or retaining business, or creating the appearance that you are obtaining or retaining a benefit for LDI. The law also prohibits using consultants, agents, and representatives to channel payments to foreign government officials for the same purposes. LDI requires all foreign consultants, agents, and representatives to certify in writing compliance with the FCPA.

All employees who come into contact with government officials — domestic and foreign — must maintain the highest professional standards. Never offer anything of value to such officials to obtain a particular result for LDI. Bribery of government officials can lead to criminal penalties. Similarly, obtaining sales by means of bribery or cash payments is strictly forbidden.

In addition, the FCPA requires LDI to maintain accurate and complete financial books and records. Thus, all business transactions must be included in and properly recorded on the financial books and records for the business unit. See Appendix for full policy.

## 8. Antitrust Compliance

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### ***Strict compliance with antitrust laws is required.***

It is LDI's policy to make its own commercial decisions completely independent and free from any understandings or agreements with any competitor. This policy requires the absolute avoidance of any conduct which violates, or which might even appear to violate, those underlying principles of the antitrust laws which forbid any kind of understanding or agreement between competitors regarding prices, terms of sale, division of markets, allocation of customers, or any other activity that restrains competition, whether by sellers or purchasers. See Appendix for full policy.

## 9. Labor Law Compliance

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### ***It is LDI's policy not to do business with suppliers or others that do not comply with applicable labor laws.***

LDI will not purchase or use goods or services that have been manufactured or provided in violation of applicable labor laws.

## 10. Trade Compliance

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### ***LDI has a policy of complying with the trade compliance laws in every country in which we conduct business.***

Although LDI is based in the United States, we conduct business all over the world. Each country in which we transact business has its own laws and regulations for how we conduct business, including how our products, technical data and technology are imported and exported. All employees must understand the applicable laws and regulations that help LDI maintain its reputation as a responsible global company, including the following:

**Export Control.** Employees must understand and follow national and international laws for exporting products, technical data and technologies from one country to another. Many exports require a government license or permit (depending on the nature or the value of the product, technical data or technology subject to export) and, in certain circumstances, export control laws may prohibit LDI or its employees from dealing with particular individuals or countries. Any employee involved in an export transaction should contact the Legal Department if they have any questions about a transaction or the law in the country in which the export transaction takes place.

## 10. Trade Compliance Cont'd

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## 11. Business Courtesies and Gratuities

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**Customs and Imports.** Customs laws in the countries in which we operate regulate and, in some cases, may prohibit the importation of certain products or items. It is important to remember that these regulations apply not only to transactions between LDI and third parties, but also to transactions where LDI is transferring products, materials or items between sites, affiliates, joint ventures or subsidiaries. Customs rules require that LDI employees are able to demonstrate, with proper documentation, that LDI exercised reasonable care to ensure that its imports comply with applicable laws. Employees involved in imports of LDI products are required to report complete, accurate and detailed information regarding imported products, as required under applicable law. LDI strictly prohibits any employee from intentionally providing false or inaccurate information in connection with customs and imports.

For additional resources please see the LDI Export Compliance Manual and the Customs Compliance Manual. Contact the Legal Department for copies.

***Give or accept gifts of nominal value only. Exceptions need approval.***

Business courtesies and gratuities include but are not limited to gifts, meals, cocktails, discounts, hospitality, entertainment, recreation, promotional items, travel, and any tangible or intangible “item of value” for which the recipient does not pay fair market value.

LDI employees may give or receive courtesies or gratuities in Company-related business dealings with customers or suppliers provided the following guidelines are met:

- They do not violate the law, regulations, reasonable customs of the market place, or the known policy of either party’s employer
- They are reasonable in cost, amount, quantity, and frequency
- They are appropriate as to time and place
- They can stand public scrutiny without damaging LDI’s reputation
- They serve an ordinary and necessary business purpose
- They have been approved in advance by your supervisor

No gifts, including “red envelope money,” may be made to government officials or employees of state-owned companies as that is generally illegal and prohibited by the Bribes and Kickbacks Policy.

Under no circumstances should LDI employees give or receive cash or a cash equivalent (such as a gift card or gift certificate) as a business courtesy or gratuity. The corporate officer responsible for your area must approve in advance individual gifts of more than nominal value.

## 12. Charitable Donations

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***Charitable donations may only be made in certain circumstances.***

As a good corporate citizen, LDI makes charitable contributions as part of legitimate local outreach. However, charitable giving is strictly prohibited if it may be used as a vehicle to conceal payments made to corruptly influence foreign officials or donated to any cause affiliated with any government (including its various agencies).

## 13. Fair Dealing

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***Each employee should endeavor to deal fairly with LDI's customers, suppliers, competitors and employees.***

No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

## 14. Confidential Information

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***One of LDI's most important assets is its confidential corporate information. LDI's legal obligations and its competitive position often mandate that this information remain confidential.***

Confidential corporate information typically relates to LDI's operations — customer lists, customer pricing, supplier pricing, rebates, sourcing/supplier information, formulas, production techniques, or “trade secrets” (confidential information used in the course of business to give LDI a competitive advantage). LDI endeavors to keep this information confidential indefinitely.

Employees must not disclose confidential corporate information to anyone outside LDI, except to LDI's professional advisors under an obligation of confidentiality. Even within LDI, confidential corporate information should be discussed only with those who have a need to know the information. An employee's obligation to safeguard confidential corporate information continues even after the employee leaves LDI. If you are unsure about the confidentiality of certain information, contact your supervisor prior to disclosure.

An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in confidence to a Federal, State, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal; and does not disclose the trade secret, except pursuant to court order.

## 15. Information About Competitors

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***Employees must never try to obtain, or be willing to accept, improperly obtained information about competitors.***

LDI will not hire employees to obtain confidential information about other companies. Nevertheless, new employees may have confidential information concerning their former employers. LDI employees should not seek nor should new employees disclose such information or otherwise permit their LDI colleagues to make use of it.

## 16. Conflicts of Interest

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***Each employee owes LDI a duty of loyalty.***

Avoid any situation in which your personal interests conflict with LDI's interests. The following sections review several potential problem areas. This list is not exhaustive. The general principle, however, is simple: exercise great care any time there might be even the appearance that you acted for reasons other than to benefit LDI or where your own interests interfere (or appear to interfere) with LDI's interests.

**Your first obligation rests with LDI.** LDI requires the full attention of its employees. In general, this level of attention makes it impractical for employees to pursue extensive employment outside of LDI. Moreover, outside employment could lead to a conflict of interest for the employee. Consequently, your manager must approve in advance any outside employment that is extensive or conflicts with LDI.

**Do not divert for personal gain any business opportunity from which LDI may profit.** The duty of loyalty is violated if the employee personally benefits from a business opportunity that rightfully belongs to LDI. This problem arises when an employee has an interest in an entity that offers a product or a service which could be offered by LDI, or when an employee directly offers such a product or service.

**Financial interests in a competitor, supplier, or customer may pose a conflict of interest.** Employees must avoid situations and activities where their personal interests could conflict, or reasonably appear to conflict, with LDI's interests. Consequently, your supervisor and the general counsel must approve in advance any financial interest by an employee or close relative of an employee in a competitor, supplier or customer.

## 17. Use of LDI Assets

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***All LDI assets are to be used solely for the business purposes of LDI.***

## 18. E-mail and Computer Access

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***In order for LDI to pursue its business activities and maintain a competitive advantage, LDI must protect its inventions, discoveries, proprietary technical and business information and property including electronic information.***

Therefore, every employee having access to the LDI network, LDI voicemail system, LDI applications and data, electronic mail and the internet through computers, phones and software owned by LDI is required to follow the E-mail and Computer Access Policy as a condition of such access. See Appendix for full policy.

## 19. Document Retention

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***Retain records including electronically stored information (i.e., e-mail, calendar files, etc.) and other documents in accordance with LDI's Record Retention Policy.***

If you are aware that any legal proceeding involving LDI is threatened or has begun, immediately take steps to preserve all potentially pertinent records and files and promptly contact the Legal Department. For additional resources please see the Record Retention Policy. Contact the Legal Department for a copy.

## 20. Waiver

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***Any waiver of this Code may be made only by the general counsel.***

## LDI Corporate Policies

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## Sexual Harassment Policy

LDI will not tolerate any act of sexual harassment by any employee in the workplace. Sexual harassment is a violation of an employee's individual rights and LDI will address every situation that may involve sexual harassment.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature when:

- Submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's continued employment
- Submission to or rejection of such conduct by an individual is used as a basis for future employment decisions affecting that individual
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment

Here are some examples of conduct that are likely to or do constitute sexual harassment (this list is not meant to be all inclusive):

- Use of offensive or demeaning terms that have a sexual connotation
- Objectionable physical closeness, behavior, actions or contact
- Unwelcome suggestions regarding, or invitations to, social engagements or work-related social events
- Any indication, expressed or implied, that an employee's job security, job assignment, conditions of employment, or opportunities for advancement may depend on the granting of sexual favors
- Any action relating to an employee's job status which is in fact affected by consideration of the granting or refusal of social or sexual favors
- Deliberate or careless creation of an atmosphere of sexual harassment or intimidation
- Deliberate or careless jokes or remarks of a sexual nature to or in the presence of any employee who may find such jokes or remarks offensive
- Showing or sending materials that have a sexual content or are of a sexual nature (such as cartoons, articles, pictures, etc.), either by electronic mail, interoffice mail, Internet, or otherwise, to employees who may find such materials offensive

All employees are expected to treat their co-workers, subordinates, and supervisors with respect at all time.

If you feel that you are being subjected to sexual harassment, you have the right to immediately demand that the offender(s) stop no matter who the offender is or what position of authority they have in LDI. You also have the right to, and should immediately report such behavior to your supervisor and a member of the Human Resources Department. Employees who engage in sexual harassment will be subject to disciplinary action up to and including termination.

If you feel that reporting sexual harassment to your supervisor is either ineffective or impossible, or if the supervisor is the cause of the harassment, report the situation to the Human Resources Department, your business unit leader/general manager, your group vice president, the chief operating officer, the president, the chief executive officer, or the Legal Department.

***You have the right and the responsibility to inform your supervisor or any of the previously mentioned people about any problem so LDI can take appropriate action. No one will be permitted to retaliate against you for telling someone to stop or for reporting such conduct.***

Alternatively, an employee who either witnesses sexual harassment or who believes she/he is a victim of sexual harassment and who wishes to remain anonymous, is encouraged to file a complaint through LDI's Ethics Hotline at 1/888-572-8791 or [www.LibertyDiversified.EthicsPoint.com](http://www.LibertyDiversified.EthicsPoint.com).

## Offensive Behavior / Harassment Policy

LDI strives to maintain a working environment free from offensive or degrading remarks or conduct and therefore, any offensive behavior/harassment of any employee will not be tolerated. Offensive behavior/harassment can include inappropriate remarks or actions that are offensive to another, based on gender, race, age, religion, color, creed, sexual orientation, disability, veteran status, marital status, national origin, or any other protected class. Offensive behavior may also involve requests to engage in illegal, immoral or unethical conduct, or inappropriate physical contact.

If you feel that you are being subjected to offensive behavior, you have the right to immediately demand that the offender(s) stop no matter who the offender is or what position of authority they have in LDI. At the same time, you have the right to, and should immediately report such behavior to your supervisor and a member of the Human Resources Department. Employees who engage in offensive behavior/harassment will be subject to disciplinary action up to and including termination.

If you feel that reporting offensive behavior to your supervisor is either ineffective or impossible, or if the supervisor is the cause of the offensive behavior, report the situation to the Human Resources Department, your business unit leader/general manager, your group vice president, the chief operating officer, the president, the chief executive officer, or the Legal Department. ***You have the right to inform any of the previously mentioned people about any problem so LDI can take appropriate action. No one will be permitted to retaliate against you for telling someone to stop or for reporting such conduct.***

Alternatively, an employee who either witnesses offensive behavior/harassment or who believes she/he is a victim of offensive behavior/harassment and who wishes to remain anonymous, is encouraged to file a complaint through LDI's Ethics Hotline at 1/888-572-8791 or [www.LibertyDiversified.EthicsPoint.com](http://www.LibertyDiversified.EthicsPoint.com).

## Equal Opportunity Policy

LDI has a policy which prohibits discrimination in any form on the basis of age, creed, race, color, religion, gender, national origin, sexual orientation, disability, veteran status, marital status or other legally prohibited criteria. This policy of nondiscrimination applies to employment practices and procedures including:

- Opportunities for placement, transfer and promotion
- Rates of pay and other forms of compensation
- Opportunities for training
- Disciplining, downgrading, layoff, and termination of employment
- Use of company facilities and participation in company activities
- An opportunity to work in an environment free of unlawful harassment

If you feel that you are being subjected to discrimination, you have the right to immediately report such behavior to your supervisor and a member of the Human Resources Department. Employees who engage in discrimination will be subject to disciplinary action up to and including termination.

If you feel that reporting discrimination to your supervisor is either ineffective or impossible, or if the supervisor is the cause of the discriminatory behavior, report the situation to the Human Resources Department, your business unit leader/general manager, your group vice president, the chief operating officer, the president, the chief executive officer, or the Legal Department. ***You have the right to inform your supervisor or any of the previously mentioned people about any problem so LDI can take appropriate action. No one will be permitted to retaliate against you for telling someone to stop or reporting such conduct.***

Alternatively, an employee who either witnesses or who believes she/he is a victim of discrimination and who wishes to remain anonymous, is encouraged to file a complaint through LDI's Ethics Hotline at 1/888-572-8791 or [www.LibertyDiversified.EthicsPoint.com](http://www.LibertyDiversified.EthicsPoint.com).

## Foreign Corrupt Practices Act Policy

### Introduction

It is LDI's policy to conduct operations and activities outside the United States in complete compliance with the letter and spirit of the Foreign Corrupt Practices Act (FCPA) and the law of any country that prohibits bribery of foreign officials. No LDI officer, employee, or agent has authority to offer payments to a foreign official to induce that official to affect any government act or decision in a manner that will assist LDI or any of its subsidiaries or divisions to obtain or retain business.

Also, every officer, employee, and agent is obligated by LDI's policy and federal law to keep books, records, and accounts that accurately and fairly reflect all transactions and use of LDI's assets.

The consequences of failing to comply with these policies are potentially disastrous for LDI and its employees. Violation of the FCPA by an LDI employee can result in millions of dollars in fines against LDI, could severely damage LDI's reputation and can subject that employee to criminal prosecution, fines, and imprisonment. In addition, LDI will take all necessary disciplinary action, including dismissal, against employees violating these policies.

### The Statutory Framework

The FCPA generally prohibits payments that are corruptly made to induce a foreign official to use his or her influence to affect a government act or decision in a manner that will assist LDI or any of its subsidiaries or divisions to obtain or retain business.

The FCPA also requires companies to "make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and uses of the assets." Compliance with the books and records provisions requires accurate recording of and accounting for such payments, regardless of whether they are made to governmental officials.

The FCPA prohibits payments to foreign officials that are made or offered corruptly. *Corrupt* payments for purposes of the act are payments intended to induce a foreign official to misuse his or her official position or to fail to perform an official function. The FCPA definition of payments includes cash, gift cards or giving anything else of value, such as gifts, meals and entertainment, reimbursement for travel or business expenses and loans. Payments include gifts of substantial value, lavish entertainment, and loans. The prohibited payment could be made to obtain or retain business for LDI and/or its subsidiaries. It could also be made to obtain legislation, regulations, or rulings to benefit LDI's business.

The corrupt payment must be made to a foreign official. A *foreign official* for purposes of the FCPA is an officer or employee of a foreign government or department, agency, or instrumentality thereof, or any person acting in an official capacity for or on behalf of such government, department, agency, or instrumentality, including officers and other employees of state-owned and operated enterprises. The term *foreign official* also includes political party officials and candidates for political office.

LDI also does not authorize or condone "commercial bribery," payments made to someone at another corporation (such as a customer or supplier) to induce that person to act improperly for the benefit of LDI.

All such payments violate LDI's policy and, in most cases, may also violate the law of the country in which an improper commercial bribery payment is made. Failing to properly record and account for such payments would also violate LDI's policy. LDI prohibits employees from using their personal funds to provide payments to foreign officials.

Payments to third parties such as agents, consultants and advisors may violate the FCPA if made while having reason to believe that all or a portion of such payments will be offered, given or promised to a foreign official for any of the prohibited purposes stated above.

## Penalties for Violations

The United States government significantly increased the criminal penalties for FCPA violations in 1988. A violation of the FCPA could subject individuals to fines of the greater of \$250,000 or twice the gross gain or loss from the offense and imprisonment for up to five years. LDI may be fined up to \$2 million or twice the gross gain or loss from the offense.

## Policies and Procedures for Retaining Agents

There are three basic steps LDI will take to reduce the likelihood of a prohibited payment by an agent to an official of a foreign government with which LDI is transacting business and to minimize the risk that such a payment will be deemed to have been knowing on the part of LDI or its employees if it does occur. First, the employee retaining the agent on behalf of LDI will ascertain background information on the agent to assess the potential for violation.

Second, the employee retaining the agent on behalf of LDI will have the agent sign the FCPA Certification of LDI Agent form (below), which can be obtained from the Legal Department.

Finally, the employee will obtain approval of the group vice president prior to agent retention.

***The employee retaining the agent on behalf of LDI is personally responsible for ensuring that the agent's activities are in full compliance with the Code of Conduct and LDI's legal obligations. Any employee who fails to properly oversee an agent relationship or to immediately disclose possible improper activities of an agent for which the employee is responsible will be subject to discipline, up to and including termination of employment.***

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## Foreign Corrupt Practices Act Certification of LDI Agent

I, \_\_\_\_\_, a duly authorized representative of [NAME OF AGENT] confirm that I, my company and anyone retained by me or my company are aware of LDI's Bribes and Kickbacks Policy and the requirements of the Foreign Corrupt Practices Act ("FCPA"). I attest and certify that I will comply with all aspects of LDI's Bribes and Kickbacks Policy and the requirements of the FCPA at all times while I am retained to perform any business activities on LDI's behalf. I agree and understand that any violations of LDI's policies or the Foreign Corrupt Practices Act may result in immediate termination of any agreement with LDI without further payment or recourse by me or my company.

I further attest and certify that I have no knowledge of any offer, payment, promise to pay, or authorization of the payment of any money, or offer, gift, promise to give, or authorization of the giving of anything of value made or offered directly or indirectly to a foreign official, employees of a foreign state-owned company, foreign political party, or any candidate for foreign political office, or to any person, knowing that all or a portion of the money or thing of value will be offered, given, or promised, directly or indirectly, to obtain or retain business or payments to obtain favorable legislation, regulations or rulings which would benefit LDI's business.

I further attest and certify that, in accordance with LDI's policy and to the best of my knowledge, all books, records, and accounts for which I am responsible or of which I am aware through my business activities accurately and fairly reflect all transactions and uses of LDI's assets.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

## Antitrust Policy

### Consult Legal Department With Any Questions About This Policy

Every manager and salesperson in LDI should understand this policy on compliance with the antitrust laws.

This subject is important for two basic reasons. First, any person who violates the antitrust laws can be subject to significant fines and be personally, criminally liable. Any company that violates the antitrust laws can be subject to investigation, substantial fines, loss of trading privileges and damage to its reputation. Second, LDI does not support anti-competitive behavior of any kind. We are tough competitors, but we obey the law. We are committed to fairness and acting in an ethical manner in all we do.

There are some basic rules to remember on the antitrust laws generally. This is not a comprehensive checklist, but it highlights some key issues.

### The Scope of Antitrust Laws

The antitrust laws generally prohibit anti-competitive agreements and abuse of a dominant market position. Some common situations are discussed below. Anti-competitive agreements can arise between parties at the same level in the chain of distribution, i.e. between competitors (“horizontal agreements”), and agreements between parties at a different level in the chain of distribution, i.e. a manufacturer and a distributor (“vertical agreements”). The prohibitions apply to written or oral agreements and to so-called “concerted practices,” where two or more companies coordinate anti-competitive practices without a formal agreement.

**Remember that the rules described below go both ways. They also apply to LDI’s competitors and other business partners. If you believe LDI is the object or victim of anti-competitive practices, contact your supervisor or the Legal Department.**

### Behavior Toward Competitors

The prohibition against anti-competitive agreements means that that cooperation among competitors can violate the law. Therefore, LDI’s general rule is: “No contact with competitors.” There are exceptions which are discussed below.

Typical antitrust violations are matters like competitors fixing prices, discounts or other terms of sale, exchanging commercial information, agreeing with one or more competitors to refuse to deal with a third party, allocating markets, customers or territories and setting quotas for production/sale. Circumstantial evidence which is used to prove these violations can be drawn from internal business documents as well as contacts and opportunities for contacts with competitors. Such contacts could even be indirect, through customers, suppliers or other intermediaries.

In an antitrust investigation or litigation, internal business documents are examined closely. Any memo, electronic mail or other writing intended for internal consumption may be subject to discovery and may be offered as proof of a violation. When writing memos or other communications, the following rules can help eliminate or minimize antitrust problems:

- 1. Avoid Sensational, Suggestive Language.** Words like “leverage,” “foreclose,” “dominate,” “preempt,” “signal,” “send a message” and the like, tell the reader almost nothing but have become the centerpieces of lawsuits. Managers should avoid using such high-impact, low-meaning words and should give this message to people reporting to them.
- 2. Write Positively.** Describe every business proposal in terms of what it will do for our business, not what it will do to a competitor’s business.
- 3. Focus on Facts.** The documents will then be hard to misconstrue.
- 4. New York Times Rule.** Always ask yourself this question, “If my writing appeared on the front page of the New York Times, would it be embarrassing to me or to LDI?”

## Exceptions to the “No Contact With Competitors” Rule

**Trade Associations** - Any membership organization where competitors may meet is a trade association, no matter what it may be called. Generally, the trade associations will provide legal counsel to assure the agenda and discussions comply with the law. If no counsel is present, stick to a written agenda, and leave the meeting if you feel the discussion is likely to result in unlawful activity. If possible, have the fact that you left the meeting noted in the minutes of the meeting, and report any concerns about unlawful activity to the Legal Department.

**Joint Petitions** - Political activity with competitors, jointly petitioning the government and even joint court action, when appropriate, is usually lawful.

**Buying from and Selling to Competitors** - It is lawful to have a competitor as a supplier or customer. Obviously, all discussions must be confined to the business at hand, and caution generally should be exercised.

**Research and Other Joint Ventures** - Research and other joint ventures with competitors may be lawful where harm to competition is unlikely, but consult with the Legal Department on these matters because any such arrangement or agreement must be reviewed for legal compliance.

**Competitive Intelligence** - Appropriate information-gathering on competitors is proper. Bribery, fraud, theft, coercion or misappropriation of trade secrets is never proper.

**Acquisitions** - Antitrust or merger control rules may apply to acquisitions. Contact the Legal Department before reviewing any non-public information of an acquisition target or carrying out any acquisition. Information gathering during the due diligence of a potential acquisition is proper, provided information concerning selling prices and proprietary technology is excluded.

## Behavior Toward Suppliers

**Price Negotiations** - LDI must compete in the purchase of raw materials and supplies just as it does in the sale of its products.

**Joint Development** - Joint development contracts with a supplier may be legitimate, even if the supplier is precluded for a reasonable time from sales in competition with us. Specific terms of development agreements must be carefully analyzed by the Legal Department for patent and antitrust issues.

**Reciprocal Purchasing** - Reciprocity, under which purchases from a supplier are coordinated with sales to a supplier, may raise antitrust issues, so contact the Legal Department before entering into any such arrangement or agreement.

## Behavior Toward Customers

**Customer Selection - LDI may select its customers as it sees fit** and is free to terminate customers because of bad credit, poor performance and the like. However, it can be unlawful to terminate a customer to enforce a collusive arrangement, such as a resale price maintenance scheme.

**Exclusive Dealing** - Where sales are made on the condition that a customer agrees not to handle competing products, there can be significant legal issues, especially when LDI has a substantial market share and/or the duration of the agreement exceeds 5 years.

**Tying** - It is usually unlawful to condition the sale of a desirable or essential product on the purchase of another, less desirable product. Trying to force customers to handle a full line of products often constitutes illegal “tying.”

**Resale Restrictions - Territories and Prices** - Completely restricting a customer to resales within an assigned territory raises substantial legal concerns. More flexible arrangements such as “areas of primary responsibility” may be justifiable.

**Resale Price Agreements** - Controlling or coordinating prices at which customers resell products is generally illegal, but minimum or maximum resale price limits are permitted under limited circumstances in certain countries.

**Price Discrimination** - In the United States, it is usually unlawful to discriminate in price or promotional allowances among competing customers. Price discrimination is merely a difference in price for the same product. Quantity discounts or other incentives that reflect the lower cost of doing business may be legitimate. Lowering the price to meet a competitive price is also lawful. We must, however, have a good faith belief that the customer is receiving a lower price. Never check the price with the competitor.

### Examples of Conduct Which Violates The Policy

- Meeting with a competitor to discuss upcoming price increases
- Joining with a competitor and a common customer to set prices for a promotional item
- Agreeing with a competitor that you will not sell to the competitor’s customers or vice-versa

### A Final Caution - Remember

Under the laws of some countries, individual employees can be held *criminally* liable for violations of the antitrust laws. Companies can be subjected to very large fines and other consequences, but individuals can be and **have been sentenced to prison for antitrust violations.**

If you have any questions about this policy or its application or interpretation, consult the Legal Department at 763/536-6627.

## E-Mail and Computer Access Policy

In order for LDI to pursue its business activities and maintain a competitive advantage, LDI must protect its inventions, discoveries, proprietary technical and business information and property including electronic information.

Therefore, every employee (“User”) having access to the LDI network, LDI voicemail system, LDI applications and data, electronic mail (“E-mail”) and the Internet through computers, phones, tablets and software owned by LDI (“LDI’s Computer System”) is required to follow this policy as a condition of such access.

1. E-mail/Internet access through LDI’s Computer System will be used primarily for purposes related to LDI’s business. Users are NOT authorized to access LDI’s Computer System for the purposes of harming LDI or benefiting a competitor of LDI and such access shall be a violation of the Computer Fraud and Abuse Act.
2. LDI’s Computer System contains confidential and proprietary information. Users must treat all information on LDI’s Computer System as confidential and to take steps, as appropriate, to maintain such confidentiality. Keep LDI’s Computer System in a secure location at all times. Confidential information on laptops should be encrypted with the assistance of the IT Department.
3. Users will be given access to certain areas and services of LDI’s Computer System and must restrict use of LDI’s Computer System to such areas. Users shall not attempt to access areas other than those specifically granted access to by LDI.
4. LDI has the right to monitor activities and audit usage of LDI’s Computer System. Such monitoring by LDI will occur without User(s) knowledge. A User on a network should not assume that messages on a network are part of a confidential system. System administrators, with their privileges, can view any data on the system.
5. Users are responsible for usage of LDI’s Computer System and shall maintain the secrecy and security of accounts, access privileges, and password(s) and prevent others from using accounts, access privileges and password(s). These security measures are defined in the current LDI password requirements.
6. Viruses or other malicious software are a threat to LDI’s Computer System. Consequently, Users shall not load or run any software on LDI’s Computer System which has a high risk of infection. High risk software includes, but is not limited to, downloadable games, screensavers, utilities, file sharing agents, and other non-business use applications. E-mailed links and attachments should not be opened if the originator is not known or trusted.
7. Do not access the accounts of others with the intent to read, browse, modify, copy or delete files and directories unless they have given you specific authorization to do so.
8. Users are prohibited from making or using illegal copies of licensed or copyrighted software. Users do not have the right to own or use unauthorized copies of software, or make unauthorized copies of software.
9. The E-mail/Internet/Computer Systems are not to be used to create, view, transmit, or forward any offensive or disruptive documents. Among those which are considered offensive are any documents which contain sexual implications, racial slurs, gender-specific comments or any other comment that offensively addresses someone’s age, sexual orientation, religious or political beliefs, national origin or disability. In addition, the E-Mail/Internet systems are not to be used for any illegal activity.

10. All hardware, software, supplies and documentation are the sole property of LDI. They must not be removed from LDI without proper authorization. Old manuals should be shredded and any storage media should be thoroughly erased before throwing away.
11. All storage media (i.e., USB drives) used for LDI business must be supplied by LDI. Users are prohibited from using personally owned storage media for LDI business or accessing personally owned storage media through LDI's Computer System. Contact LDI's Help Desk to obtain LDI-supplied storage media.
12. Avoid any activity around your workstation that may result in damage to LDI's Computer System. LDI's Computer System is a valuable resource, and should not be wasted or abused.
13. Users are prohibited from sending LDI business-related e-mails and/or information to personal e-mail account(s).
14. Any electronic device (cell phone, computer, tablet, etc.) is subject to this policy, whether LDI-supplied or personally owned that is integrated with LDI's network. Employees should have no reasonable expectation of personal privacy.
15. Confidentiality and security of LDI-related and customer-related information are critical. Accordingly, before an employee ceases working for LDI, any device utilized for work-related purposes, whether LDI-supplied or personally owned, must be submitted to LDI's Help Desk so that the device may be wiped of any and all LDI information and material.
16. Any electronic device utilized for work-related purposes, whether LDI-supplied or personally owned, must be locked-down and password protected when not in use.
17. Technology and the way people use it is changing at a rapid rate. No policy can cover every possibility. Because an activity is not expressly prohibited in the policy does not make it okay for an employee to engage in such an activity. It is the intent of this policy to provide a broad outline of what behaviors involving computer resources are prohibited by LDI.
18. Users should immediately report violations of this policy to the Chief Information Officer at 763/536-6675.
19. Violations of this policy could lead to disciplinary action up to and including termination.



Liberty Diversified International  
5600 North Highway 169  
New Hope, MN 55428-3096  
phone: 763-536-6600  
toll-free: 1-800-421-1270  
fax: 763-536-6685

