

CARDINAL RESOURCES LLC

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

INTRODUCTION

The purpose of this Anti-bribery and Anti-corruption Policy (the "**Policy**") is to ensure compliance by the Red Bird Group and each of its subsidiaries and joint ventures (the "**Company**") and each of their directors, officers, employees, agents, consultants, and representatives with the Foreign Corrupt Practices Act of 1977, as amended ("**FCPA**"), and related laws of other countries in which the Company does or intends to do business, including by way of illustration and not an exclusive list, the U.K. Bribery Act 2010 ("**UK Bribery Act**") and similar laws contained in the Organization for Economic Cooperation and Development ("**OECD**") Convention on Combating Bribery of Foreign Public Officials in International Business Transactions ("**OECD Anti-Bribery Convention**") and China's Anti-Bribery Laws (collectively, the "**Anti-Bribery and Anti-Corruption Laws**"). The Company values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The growth of operations overseas brings legal and regulatory challenges, and it is important that the Company understand and properly address these challenges.

The following pages provide a summary of international business activity that must comply with the Company's Policy. The Company reserves the right to amend, rescind or replace this Policy at any time. **This Policy is an extension of other Company policies, including the Company Travel Policy. This Policy is intended to complement rather than replace the Company's other existing policies and procedures.** Those covered by this Policy must read, understand and comply with the policies and obligations described in the following pages.

BACKGROUND

The anti-bribery provisions of the FCPA apply to the Company, a privately-held corporation as well as our representatives, distributors and subcontractors on projects or sales related to Cardinal Resources LLC. The anti-bribery provisions of the FCPA make it a criminal offense to pay, offer, or give anything of value to a foreign official, a foreign political party (or official thereof) or candidate for foreign office, for the purpose of influencing the decisions of those officials, parties or candidates. The FCPA was originally enacted by the U.S. Congress in 1977 and has been amended several times since. The FCPA is aimed at preventing corrupt practices by U.S. business organizations doing or seeking business in foreign countries. The UK Bribery Act is even more stringent and far-reaching than the FCPA and can result in strict liability and also makes it illegal for a governmental official to receive a bribe. In recent years, there has been renewed focus and a number of enforcement actions with respect to the FCPA and similar foreign laws in other countries. Neither the complexity of the Anti-Bribery and Anti-Corruption Laws nor costs of compliance diminishes the responsibility to comply with these laws. It is imperative therefore that each and every person covered by the Policy become familiar with the FCPA's provisions, UK Bribery Act and the provisions any other applicable Anti-Bribery and Anti-Corruption Laws.

SCOPE

This Policy applies to:

- All officers and employees of the Company and its subsidiaries regardless of where the officer or employee is located (within and outside the U.S.); and
- Anyone who acts as a partner, representative or an agent for the Company and its subsidiaries. This may be a distributor, consultant, representative, broker or other person or firm of U.S. or any other nationality.

OBLIGATIONS

- Everyone covered by this Policy is expected to become familiar with and to comply with the contents of this Policy.
- Everyone covered by this Policy must ensure his or her strict compliance with this Policy and each person that the individual supervises.
- If you have questions about this Policy and its application, contact Joyce O'Connor at (412)374-0989, who serves as the Compliance Officer ("**Compliance Officer**").

SUMMARY OF ANTI-BRIBERY PROVISIONS

Anti-Bribery and Anti-Corruption Laws make it illegal to bribe foreign officials in order to obtain or retain business or to secure any improper advantage. Specifically, the FCPA prohibits payments, offers or gifts of money or anything of value, with corrupt intent, to a "foreign official". The UK Bribery Act makes it illegal to offer, promise or give an advantage to someone with the intention of inducing or rewarding the person for behaving "improperly" or knowing or believing that the recipient's acceptance of the advantage would be "improper" behavior. The UK Bribery Act applies to both public and private sectors and is not limited to "foreign officials".

What is considered to be a bribe? A bribe is considered to occur when one party gives or offers another party, either directly or indirectly through an intermediary, any reward, advantage or benefit of any kind, in order to influence the making or not making or implementation of a decision or act by the party concerned. An action may be considered a bribe regardless of whether giving something of value may be widely accepted or even seem necessary in the country in question. In addition, an action may be considered a bribe even when it does not cause the desired outcome of influencing a foreign official. Therefore, the mere promise of a bribe is enough to result in a violation of these laws.

Who is considered to be a foreign official? The FCPA defines a "foreign official" as any officer or employee of a foreign government or any department, agency, or instrumentality of a foreign government. The term also includes any officer or employee of a public international organization such as the World Bank. Furthermore, any person acting in an official capacity for any foreign government agency, department or instrumentality, or for a public international organization is a "foreign official." An entity hired to review bids on behalf of a government agency would be covered by the term. The FCPA also prohibits bribes to foreign political parties and their officials as well as to candidates for foreign political office. In addition, the following persons would be included in the definition of "foreign official":

- Officers and employees of foreign state owned companies
- Uncompensated honorary officials if such officials can influence the awarding of business
- Members of royal families who have proprietary or managerial interests in industries and companies owned or controlled by the government

The Company's Compliance Officer should be contacted if there is a question as to whether an individual or an organization would be considered a foreign official for purpose of this Policy. The UK Bribery Act is not limited to foreign officials and would prohibit an individual from giving a bribe in both the private and public sector.

What is considered to be a direct or indirect payment or gift of anything of value? A payment need not be money and might be in the form of a transfer of stock, bonds or any other property, the payment of expenses, the providing of services of any type, the assumption or forgiveness of any indebtedness, or any other transfer of goods, services, tangibles or intangibles that is given or accrues to the recipient. This prohibition might include entertainment, gifts, discounts and services not readily available to the public, an offer of employment, assumption or forgiveness of a debt, payment of travel expenses or personal favors. Employees should also be aware that the Company's Travel Policy applies to expenses incurred by employees, and is not intended to apply to or necessarily permit similar expenses to be incurred on behalf of a third-party unless specified by contract.

Who is prohibited from making a bribe? Everyone described in the "Scope" Section is prohibited from making direct and indirect payments to foreign officials, or in the case of the UK Bribery Act, any improper payments anyone in the public or private sector. A company can face liability pursuant to the FCPA, UK Bribery Act or other Anti-Bribery and Anti-Corruption Laws based upon improper payments made by its agents or other business partners. Accordingly, it important that those covered by the Policy understand that gifts, payments or offers of anything of value can violate these Anti-Bribery and Anti-Corruption Laws even if they are made indirectly.

What can be given to a foreign official or other person in compliance with this Policy? There may be very limited circumstances - entertainment, meals, Company promotional items, gifts of a nominal value and other business courtesies - when items of value can be given to foreign officials. Such entertainment, meals, Company promotional items, gifts of a nominal value and other business courtesies may not be made except in accordance with this Policy and unless the Compliance Officer has provided prior, written approval, if such approval is required.

Are there any exceptions or defenses available? The FCPA contains certain limited exception and affirmative defenses to the prohibitions set forth above. These limited exceptions and affirmative defenses may not be utilized or relied upon except in accordance with this Policy.

1. Facilitating Payments: The FCPA does allow certain types of payments to foreign officials under very limited circumstances. For example, the FCPA allows certain "facilitating" or "expediting" payments to foreign officials in order to expedite or secure non-discretionary, "routine governmental action." Examples of this might include routine processing of governmental papers such as visas or work orders, unloading of cargo, mail pick-up and delivery, scheduling of inspections or the provision of police protection. To be considered a routine governmental action, it must satisfy the following criteria:

- The assistance requested and for which the payment or gift is made is clearly an action which the person receiving the payment is legally required to provide, and the payment is only to facilitate the action;
- The payment is legal and customary in the foreign country in question (i.e. not merely the payment is not illegal);
- No reasonable alternative to making the payment exists; and
- The duties of the person receiving the payment are essentially ministerial or clerical.

The term "routine governmental action" does not include any decision by a foreign official on whether, or on what terms, to award new business to or continue business with a particular party, or any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or to continue business with a particular party.

Many countries (e.g., Sweden, the United Kingdom, and Germany) do not allow facilitating payments; so you must obtain prior approval before making a determination that a payment to an official may be offered or given as a lawful "facilitating payment" in a particular country. Employees or agents may make facilitating payments only in accordance with this Policy and only if the supervisor and Compliance Officer has provided prior, written approval.

2. Actions that Comply with Local Laws: The FCPA and UK Bribery Act also contain an affirmative defense for payments to foreign officials that are lawful under the written laws and regulations of the foreign official's country. That being said, most countries have laws prohibiting the payment of bribes to government a defense. Further, no country has written laws permitting bribery, and the fact that bribes are customary is not acceptable. Therefore, no payment shall be made by any Company employee, officer or agent to a foreign official in reliance upon the written laws of the local country without the prior written approval of the Compliance Officer.

DUE DILIGENCE PROVISIONS

Local agents are retained and local partners are selected in part for their knowledge of and access to persons in the relevant market and their ability to contribute to the success of development efforts. Because actions by local agents may result in violations by the Company and other individuals of Anti-Bribery and Anti-Corruption Laws, the Company should be careful when engaging third-parties and avoid situations that might lead to a violation. To avoid being held liable for corrupt third party payments, the Company and any Company person acting on its behalf must exercise due diligence at all times and take all necessary precautions to ensure that business relationships are formed only with reputable and qualified partners, agents, and representatives.

Therefore, prior to retaining any agent, representative, consultant, or other third party contractor (collectively "third-party contractors") who act on behalf of the Company with regard to foreign governments or international business development or retention, the Company will perform proper and appropriate due diligence and obtain from the third party certain assurances of compliance with Anti-Bribery and Anti-Corruption Laws. Due diligence should consist of the following, as available:

- checking public sources of information, including any published press reports concerning the agent, the commercial attaché at the foreign embassy in the relevant foreign country and/or relevant country desk officers at the U.S. Department of State and U.S. Department of Commerce or other appropriate locally situated governmental authorities;
- checking with business references provided by the potential third-party contractors;
- interviewing the third-party contractor; and
- obtaining information from institutions (banks, accounting firms, lawyers) in the third-party contractor's country of operations.

A file should be maintained documenting the due diligence efforts undertaken in relation to the retention of each and every third-party contractor. All third-party contractors must be identified and selected on the basis of objective and written evaluation criteria, e.g., a partner should be selected on the basis of identifiable commercial and technical competence and not because he or she is the relative of an important government official. A written

agreement must be entered into prior to doing business with any third-party contractor, the form of which must receive the written approval of the Compliance Officer.

RECORD KEEPING

It is imperative that the Company maintain its books, records and accounts in reasonable detail to accurately reflect all transactions and dispositions of assets and nature and purposes of various expenses. The Company's ability to maintain its books, records and accounts in this manner will assist the Company in demonstrating compliance with applicable laws.

PUNISHMENTS

Violations of Anti-Bribery and Anti-Corruption Laws can result in significant fines and penalties both for the Company and certain individuals. In addition, regardless of whether or not violations occurred, investigation and defense of these claims could result in significant expenses and reputational damage.

- **FCPA:** The Company may be fined up to \$2,000,000 per FCPA violation and have to return a multiple of any profit gained from the corrupt payment. The Company may also be barred from doing business with the U.S. government. Statutory criminal penalties for individuals for FCPA violations include fines up to \$100,000 per violation or imprisonment up to five years, or both.
- **UK Bribery Act:** The Company may be fined (unlimited amount), its assets confiscated and barred from doing business with the U.K. government. Individuals may receive up to 10 years imprisonment, unlimited fines, or both. Directors may be disqualified.

Individual officers and employees of companies may be prosecuted even if the Company is not. Fines assessed against individuals may not be reimbursed by the Company. Violations of the FCPA or other Anti-Bribery and Anti-Corruption Laws may result in violations of other laws and in other countries with separate and additional fines and penalties. The costs of any violation or even the perception or allegation of any violation are extremely damaging to the individual and the Company.

QUESTIONS AND REQUESTS FOR WRITTEN APPROVAL

Questions relating to Anti-Bribery and Anti-Corruption Laws are not simple, and the Company encourages individuals with questions to contact his or her supervisor and the Compliance Officer for assistance. Those covered by this Policy are encouraged to report breaches or potential breaches to the Compliance Officer.

The Company strictly prohibits any supervisor, manager or other employee from retaliating against an individual who makes a report in good faith of a possible violation of this Policy. Retaliatory actions will not be tolerated, and could result in severe disciplinary measures against the offending person, including termination of employment.

The Company will investigate thoroughly any actual or suspected breach of this Policy. The Company reserves the right to determine, in its own discretion and on the basis of information available to the Company, whether this Policy has been violated. It is not necessary for the Company to await the filing or conclusion of any civil or criminal proceeding against any person before taking disciplinary action, up to and including termination.