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## ANTI-BRIBERY POLICY STATEMENT

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### 1. BACKGROUND AND PURPOSE

Department 13 (D13) maintains an Anti-Bribery Policy prohibiting any improper or unethical payment to government officials or a party to a private commercial transaction anywhere in the world by any D13 officer or associate (together, simply “D13 associates”) or agent of D13. This Anti-Bribery Policy is designed to comply with the requirements of the U.S. Foreign Corrupt Practices Act (the “FCPA”), the U.K. Bribery Act 2010 (the “U.K. Bribery Act”), the Australian *Criminal Code 1995* (Cth) and the anti-bribery laws of those other jurisdictions in which we do business. These laws generally prohibit bribes, kickbacks, or illegal payments to influence business transactions and require us to maintain accurate books and records and a system of internal controls.

To the extent that laws and regulations in any countries are more rigorous or restrictive than D13’s Anti-Bribery Policy, those laws and regulations should be followed by any subsidiary operating in that country. D13 may, from time to time, provide country-specific directions for subsidiaries operating in countries outside of The United States of America.

This Anti-Bribery Policy sets out D13’s requirements in relation to interactions with Government officials and third parties. This Anti-Bribery Policy does not prohibit interactions with Government officials, rather it forbids corrupt interactions with those individuals.

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### 2. PURPOSE

The purpose of this Anti-Bribery Policy is to:

- set out the responsibilities of D13 and its management and employees in upholding D13’s commitment to preventing any form of bribery or corruption; and
- provide information and guidance to management and employees on how to recognize and deal with any potential bribery and corruption issues.

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### 3. POLICY

D13’s Anti-Bribery Policy states:

- No D13 associate or agent has the authority to offer payments of money or anything else of value, whether directly or indirectly, to a government official or a participant in a private commercial transaction to improperly induce that person to affect any act or decision in a manner that will assist D13 or any of its subsidiaries or divisions, or any of its associates or agents, to obtain or retain business.

- Every D13 associate and agent has the obligation to record accurately and fairly all of their transactions involving any expense of D13 or any other transaction involving the disposal or transfer of D13 assets.

In addition to direct payments of money, other examples of prohibited payments would include the following made at the direction, or for the benefit, of a government official or a commercial business partner:

- extravagant gifts, or travel, meals, entertainment or other hospitality expenses;
- contributions to any political party, campaign or party official; or
- charitable contributions and sponsorships.

Facilitating payments are not authorized by this Policy. These are payments of small amounts to a foreign government employee to expedite or secure performance of a routine, non-discretionary governmental action, such as properly obtaining visas, permits and licenses, police protection or utility services in a foreign country.

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## 4. POLICY SCOPE

The Anti-Bribery Policy extends to D13's operations anywhere in the world, including all subsidiaries, divisions, agents, consultants or other representatives, as well as to any joint venture or other business enterprise in which D13 is a participant. The Anti-Bribery Policy is applicable to activities of individual D13 associates, as well as corporate and business unit programs, events, campaigns and other initiatives.

### 4.1 Penalties

Violations by any D13 associate of the anti-bribery laws or this Policy will result in progressive discipline, up to and including possible termination of such associate's employment with D13. Violations by any D13 associate or agent can also result in severe penalties for both D13 and such individuals.

For example, individuals can receive five years of imprisonment and a \$100,000 fine for each violation of the anti-bribery provisions of the FCPA, and 20 years imprisonment and a \$5 million fine for each violation of the record keeping provisions of the FCPA. Under the U.K. Bribery Act, bribery and corruption is punishable for individuals by up to ten years imprisonment and companies could face an unlimited fine.

The FCPA specifically prohibits a company from reimbursing an officer, director, stockholder, employee, or agent for fines imposed for violations of the FCPA, so any fines for violations for which an individual is responsible will be paid from that individual's personal assets. In addition, and in accordance with D13's general legal compliance policy, D13 will cooperate fully with law enforcement authorities in the investigation and prosecution of alleged violations of anti-bribery laws.

## 4.2 Gifts, Travel, Entertainment and Other Expenses

### *Government Officials*

D13 permits D13 logo items (such as D13 logo pen and pencil sets, shirts, hats and similar items) to be given to government officials as modest gifts in the ordinary course of business, provided that:

- such gifts do not exceed U.S. \$25 in value; and
- presenting any such gift will be in conformity with the written laws of the country in which the gift has been made; and
- the associate presenting such gift makes an immediate written report to D13's Chief Operating Officer (COO).

D13 also permits reasonable expenditures for travel, meals and entertainment expenses legitimately related to tours of D13's facilities, training in the use of D13's products and services, or otherwise related directly to D13's promotion of its products and services, provided such expenditures are not extravagant and otherwise conform to the limitations in this Policy and to the laws and customs (as recognized by the written local law or a published judicial decision) of the country in which the expenditures are incurred. Before providing, directly or indirectly, any such travel, meals or entertainment expenditure for a government official, all employees and individuals must first obtain written permission from D13's COO.

It will never be acceptable to offer any gift or incur any expense in expectation of receiving something in return (quid pro quo).

The following persons are considered "government officials":

- officers and employees of any government, department, agency, bureau, authority, instrumentality or public international organization; and
- persons acting in an official capacity on behalf of a government; and
- employees of entities that are owned or controlled by a government; and
- candidates for political office.

The U.S. Department of Justice and the Securities and Exchange Commission have adopted a very broad interpretation of what constitutes an instrumentality of a foreign government. For purposes of this Policy, any entity with significant governmental ownership or influence shall be viewed as an instrumentality of a foreign government.

### *Commercial Partners*

Other than for gifts with a value of no more than U.S. \$50 given or received in the normal course of business, neither an individual nor an individual's relatives may give gifts to, or receive gifts from, D13's current or prospective clients, vendors or any other commercial partners. Presenting or accepting any other gifts to or from private commercial parties requires prior written approval from D13's COO, who must review the proposed gift with the Anti-Bribery Committee.

D13 permits accepting or incurring proportionate and reasonable expenditures for travel, meals and entertainment expenses legitimately designed to show appreciation to existing business partners, present products and services, or establish cordial business relations, provided that such expenditures:

- are not excessive and always appropriate to the nature of business relationship with the recipient; and
- conform to the laws and customs (as recognized by the written local law or a published judicial decision) of the country in which the expenditures are incurred, as well as the policies, rules or codes of conduct of the recipient; and
- do not place the recipient under an obligation or expectation to confer any business advantage in return for such hospitality (quid pro quo), or create an impression that the recipient's independence will be affected; and
- occur only occasionally.

Before providing or accepting, directly or indirectly, any travel, meals or entertainment expenditure reasonably valued at more than U.S. \$250 for each guest, an individual must first obtain written permission from D13's COO, who must review the proposed expenditure with the Anti-Bribery Committee. Since the level of appropriate expenditures may vary significantly from country to country, D13 may adopt lower hospitality limits for their respective jurisdictions.

It is crucial that entertainment should not be given or received on such a scale that it forms an inducement to enter into a business transaction or arrangement which would not otherwise be undertaken. Moreover, in no event may any gift or hospitality cause any other provision of this Policy or any provision of the Code of Business Conduct & Ethics to be violated, or put D13 or an individual in a position that may cause embarrassment.

#### *Recordkeeping*

Any gift, entertainment or hospitality given will be accurately recorded, and no expenditure may be made with the express or implied agreement that it is to be used for any purpose other than as described by the records reflecting the expenditure.

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## **5. THIRD PARTIES' COMPLIANCE WITH D13's ANTI-BRIBERY POLICY**

D13's obligation of ethical and legal behavior includes and encompasses the activities of D13's agents, representatives, consultants and business partners (including joint venture partners), as well as any potential acquisition targets. D13 will be held accountable for the actions of third parties doing business in any market on behalf of D13, so every associate and agent must remain vigilant to ensure such third party's actions are consistent with this Policy. Willful ignorance of facts or circumstances which make it likely that bribery could be occurring will be a violation of this Policy and anti-bribery laws. Before establishing a relationship with any third party to represent D13 in any marketplace, sufficient due diligence must be performed to determine that the third party's commitment to ethical business practices is consistent with D13's high standards, this Policy and the D13 Vendor Code of Conduct. Any arrangement with such third party should include proper contractual provisions and monitoring procedures to ensure compliance with anti-bribery laws and consistency with D13's Anti-Bribery Policy. Particular care should be taken in any instance where the third party has interactions with government officials in the performance of its services on behalf of D13.

## 6. RED FLAGS

Among many other situations, the following situations, whether or not involving a government official, could expose D13 and the individuals involved to a risk of a violation, and need to be reported as set forth below:

- Requests or demands for a bribe; and
- Requests from a third party for D13 to make payments (or portion of a payment) on behalf of the third party to someone else; and
- Requests or suggestions that D13 make a charitable donation to a particular charity; and
- Requests for employment either on his or her own behalf or on behalf of another; and
- A person with whom D13 is dealing has a reputation for receiving questionable payments; and
- A demand or strong suggestion that a particular local representative should be retained for any purpose; and
- A non-governmental person with whom D13 is dealing has a known family or other significant relationship with government officials; and
- A request for an unusual or excessive payment, such as a request for over-invoicing, unusual up-front payments, or a request for payments to be made to a third party (or to a third country), to a foreign bank account, in cash or otherwise untraceable funds; and
- A proposed agent or representative has little or no expertise or experience in the area (whether geographic, professional or otherwise) in which it will represent D13; and
- A proposed agent or representative refuses to provide written assurances that he or she will not make any improper payments; and
- A proposed agent or representative requests an unusually high commission; and
- A proposed agent or representative fails to provide standard invoices; and
- A potential governmental customer requests an unusual credit or rebate with or from D13 in return for its business; and
- Unusual bonuses or other amounts paid to agents or representatives of D13; and
- D13's operations are in, or it is transacting business with a person in, a country perceived to have high levels of corruption. (See Transparency International's annually updated "Corruption Perception Index": [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi](http://www.transparency.org/policy_research/surveys_indices/cpi)).

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## 7. REPORTING VIOLATIONS

An Individual's conduct can reinforce an ethical atmosphere and positively influence the conduct of fellow associates. If an individual is aware of or suspects misconduct, the individual should report it to the D13 COO at [skaminaris@department13.com](mailto:skaminaris@department13.com).

The calls, detailed notes and/or emails will be dealt with confidentially, unless it is necessary to share such information in order to address the matter appropriately. Regardless, the reporting individual has the commitment of D13 and of D13's Board of Directors that the reporting individual will be protected from retaliation.

Nothing in this or any other D13 policy prohibits an individual from providing information to the U.S. Securities and Exchange Commission or any government agency in a manner contemplated by relevant law or regulation.

***A failure to report known or suspected wrongdoing in connection with D13's business of which an D13 associate or agent has knowledge may, by itself, subject that individual to disciplinary action.***

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## **8. ADMINISTRATION OF ANTI-BRIBERY POLICY**

The Anti-Bribery Policy will be administered by D13's COO. Any violations of the Anti-Bribery Policy will be reported to D13's Board of Directors.