

## **Group Lamerica, L.L.C. Corrupt Practices Compliance Policy**

Dated: April 6, 2010

### **Policy Overview**

In the conduct of Group Lamerica, L.L.C. (“Group Lamerica” or “Company”) business, which at times includes acting on behalf of our clients or at their direction, the Company can be exposed to situations that may give rise to the possibility of Improper Transactions (also referred to in some contexts as Sensitive Transactions).

- Improper Transactions can encompass a broad range of business dealings that are generally considered illegal, unethical, immoral, or possibly reflecting unfavorably on the integrity of the Company, its management, employees, associates and agents, and its clients.
- Such Improper Transactions are usually in the nature of direct or indirect kickbacks, bribes, or payoffs to influence favorably a decision affecting a company's business or for the personal gain of an officer, employee or some other related party.
- Improper Transactions may result in violation of federal laws such as domestic anti-bribery laws, mail fraud and wire fraud statutes, anti-racketeering statutes, the Foreign Corrupt Practices Act, and other state laws or laws of foreign countries in which Group Lamerica operates in the course of conducting our business and client engagements. If violations occur, the Company and its officers and members, as well as employees and Company clients involved, may be subject to fines, imprisonment, and civil litigation.

Because Group Lamerica is a limited liability company formed under the laws of the state of Texas, it is not a publicly owned company. It does not have common stock that is registered and traded in accordance with federal securities laws and with rules and regulations promulgated by the Securities and Exchange Commission (SEC). As such, it is not subject to strict disclosure requirements for public companies relating to its business affairs, financial condition and conduct that are deemed to reflect on the integrity of its officers, directors and management. However, even though the Company is not a public company, it has an ethical responsibility to ensure that it does not violate prohibitions against Improper Transactions, and to establish reasonable record keeping and internal control requirements aimed at ensuring the propriety of transactions involving the Company and its clients.

### **Compliance Policy**

The Company, its officers, members, employees, third-party contractors, agents, brokers and individuals and firms hired or retained by the Company are expected to conduct our business and our client engagements legally, ethically and with integrity, regardless of differing local cultures, practices and traditions.

Each office and operation of Group Lamerica is expected to comply with and is responsible for compliance with all applicable Group Lamerica policies, including this Group Lamerica Corrupt Practices Compliance Policy (“Compliance Policy”). No violation of the letter and spirit of federal, state, or foreign laws will be permitted or tolerated, particularly the provisions of the US Foreign Corrupt Practices Act of 1977, as amended (“FCPA”).

This Compliance Policy also applies to all consultants, contracted associates, representatives, brokers or other persons or firms who are likely to have contact with a foreign party, and are hired or otherwise retained by the Company to provide services directly related to a Group Lamerica business activity or client engagement.

This Compliance Policy shall be administered and interpreted by Group Lamerica's compliance officer, James D Butterworth. If any question exists as to the propriety of any proposed transaction (including transactions that are requested or directed by a client), the matter is to be referred to the Company's compliance officer for review and approval prior to entering into the transaction.

### **Improper Transactions**

Improper Transactions are strictly prohibited by this Compliance Policy. Any Company personnel, contracted associates or third-parties working on behalf of the Company who engage in such Improper Transactions, including personnel who either make or receive payments, are subject to punitive action, as appropriate, by Group Lamerica as well as the legal consequences of applicable federal, state or foreign laws.

Any out-of-the-ordinary payment made from Company funds for the express purpose of obtaining or retaining business or unduly influencing some matter in favor of Group Lamerica or one of our clients shall be considered an "improper" or "sensitive" payment.

- Such a payment also could take the form of extravagant entertainment or a gift of significant value.
- These payments may be considered to be bribes and may result in violation of federal, state, or foreign laws with attendant criminal and civil sanctions and disclosures.
- Personal funds must not be used to accomplish what is otherwise prohibited by this Compliance Policy.

### **US Foreign Corrupt Practices Act of 1977, as amended ("FCPA")**

In 1977, the FCPA became U.S. law. The primary purpose of the FCPA is to prohibit payment of bribes in any form. The FCPA prohibits a company, its officers, directors, employees, agents and shareholders acting on its behalf from corruptly offering or giving anything of value to a:

1. foreign official, including any person acting in an official capacity for a foreign government,
2. foreign political party official or candidate of a foreign political party, or
3. "public international organization" (e.g. the World Bank, the Inter-American Development Bank),

for the purpose of influencing any act or decision of these individuals in their official capacity, inducing these individuals to do or omit to do any act in violation of the lawful duty of such official, securing any improper advantage or inducing these individuals to use their influence with a foreign government or instrumentality to affect or influence any act or decision of such government or instrumentality in order to help a company obtain or retain business for or with, or direct business to, any person or entity.

The FCPA defines the term foreign official as any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or of an entity designated as a "public international organization" by the U.S. government or any person acting in an official capacity for or on behalf of such government or department, agency, or instrumentality or for or on behalf of any such public international organization. For purposes of compliance with the FCPA, officials of government-owned corporations are to be considered foreign officials.

The FCPA also prohibits the offering or paying of anything of value to any person or entity if all or

part of the payment will be used for any of the FCPA prohibited actions. This provision includes situations where intermediaries, such as foreign affiliates or agents, may be likely to make a gift, payment or offer anything of value to foreign officials.

Under very limited circumstances, items having some value (i.e. entertainment, meals, Company or client promotional items, gifts of nominal value and other business courtesies) can be given to foreign officials. The Company's compliance officer should be consulted for guidance in determining if such contemplated items fit with these limited circumstances.

The FCPA imposes criminal liability on both individuals and companies. Civil actions also may result. Whether criminal or civil, fines for violating the anti-bribery provisions are severe.

However, under this Compliance Policy, the fact that particular conduct does not violate the FCPA does not mean that the conduct or action may not violate other laws with potentially serious consequences for Group Lamerica and the individuals concerned, or may not violate Group Lamerica's ethical standards, expected rules of business and personal conduct, or community standards, all of which could adversely impact our image, or the image of our clients, as a good corporate citizen and business partner.

### **Facilitating Payments**

Group Lamerica may on occasion be required to make a minor payment to a foreign official for the purpose of expediting or securing the performance of a routine governmental action by a foreign official. Routine governmental action is an action that is ordinarily and commonly performed by a foreign official in:

- obtaining documents or permits to qualify to do business in a foreign country,
- processing government papers, such as visas or work permits,
- providing for police protection or scheduling inspections in connection with contract performance,
- providing phone service, power and water supply, and
- actions of a similar nature.

Routine governmental action does not include the decision to do business or to continue to do business with a particular party or entity.

Facilitating payments do not include payments made to influence a particular decision or transaction.

Additionally, facilitating payments can include reasonable payments directly related to the promotion, demonstration and/or explanation of a product or service.

Facilitating payments must be strictly controlled and every effort must be made to eliminate or minimize such payments. Facilitating payments, if required, will be made only in accordance with local custom and practice, and with applicable management approval and prior review by the Company's compliance officer.

## **Record keeping and Internal Controls**

Each Company office and operation is to maintain books, records and internal controls that result in accurately reflecting all transactions of the Company. Basically, Company policy requires that each transaction entered into by Group Lamerica have proper authorization and approval, and then proper and complete accounting and reporting of the transaction. The handling of each transaction is subject to internal controls, internal audit and exception reporting to management.

Specific prohibitions include: maintaining secret or unrecorded Company or client funds or assets, falsifying records, and providing misleading or incomplete financial and transaction related information.

## **Compliance and Enforcement**

Every Company employee, agent or representative, whose duties are likely to lead to involvement in or exposure to any of the areas covered by this Compliance Policy, is expected to read, become familiar with and comply with this Compliance Policy.

- Periodic certifications of compliance with this Compliance Policy will be required as well as participation in training sessions as appropriate.
- Written agreements with associates, agents and other third-party contractors will include provisions with respect to disposition of fees and compliance with this Compliance Policy.
- Our clients are to be advised of this Compliance Policy and that it will guide our conduct in providing our services under a client engagement.

In order to help ensure that the Company and its officers, members and employees are complying with the requirements of this Compliance Policy and the FCPA, offices and staff with international responsibility are to complete a compliance certification report on an annual basis.

In addition, all officers, members, employees and third-party contractors have an ongoing obligation to report violations or suspected violations of the FCPA. Such reports should be made directly to the Company's compliance officer. The identity of any person reporting a suspected violation or an actual violation will remain confidential, except to the extent necessary for the protection of the Company's interests or required by applicable law.

It is the individual responsibility of each officer, member, employee and third-party contractor of the Company, whose duties are likely to lead to involvement in or exposure to any of the areas covered by this Compliance Policy, by action and supervision as well as continuous review, to ensure strict compliance with this Compliance Policy.

- For any officer, member or employee who violates this Compliance Policy, the Company may take severe disciplinary action, up to and including dismissal.
- For any client who directs the Company to take an action in violation of this Compliance Policy, the Company may take action to resign its relationship with the client up to and including the termination of any agreement it may have with the client and pursuit of any remedies for redress the Company may have under such agreement.
- For any third-party contractor under agreement with the Company who violates this Compliance Policy, the Company may take action to end its relationship with the third-party contractor up to and including the termination of the agreement and pursuit of any remedies for redress the Company may have under such agreement.