

Anti-Corruption & Compliance

Freight Forwarders



We never pay bribes



Hello.

I'm George Freeman, Chairman and CEO of Universal Corporation. The Universal Corporation family of companies has been conducting business for over 100 years. During that time, our people all over the world have worked hard to create and protect our most important business asset—integrity. Corruption is a threat to our business and employees, and is counter to our culture. We owe it to our customers, our communities, our shareholders, and ourselves to conduct our business pursuant to high ethical standards and to denounce corruption. To state it simply: We never pay bribes.

Sincerely,

George C. Freeman, III. Chairman, President, and Chief Executive Officer

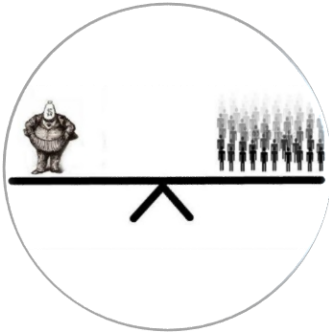


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Corruption

Abuse of public or private office for personal gain



Economic,

- Market disruption, unfair competition & less investment lead to inequality, unemployment & poverty
- Investment not allocated according to need but for personal enrichment



Social,

- Government infrastructure projects
- Subpar proposal with low quality materials wins due to bribe
- Public safety at risk



Organizational

- Bribes add cost to transactions
- Risk of prosecution, fines & prison
- Corruption increases uncertainty – competition may pay a bigger bribe



& Individual Impacts:

- Prison for offenders
- Low morale for others
- Fines and legal fees

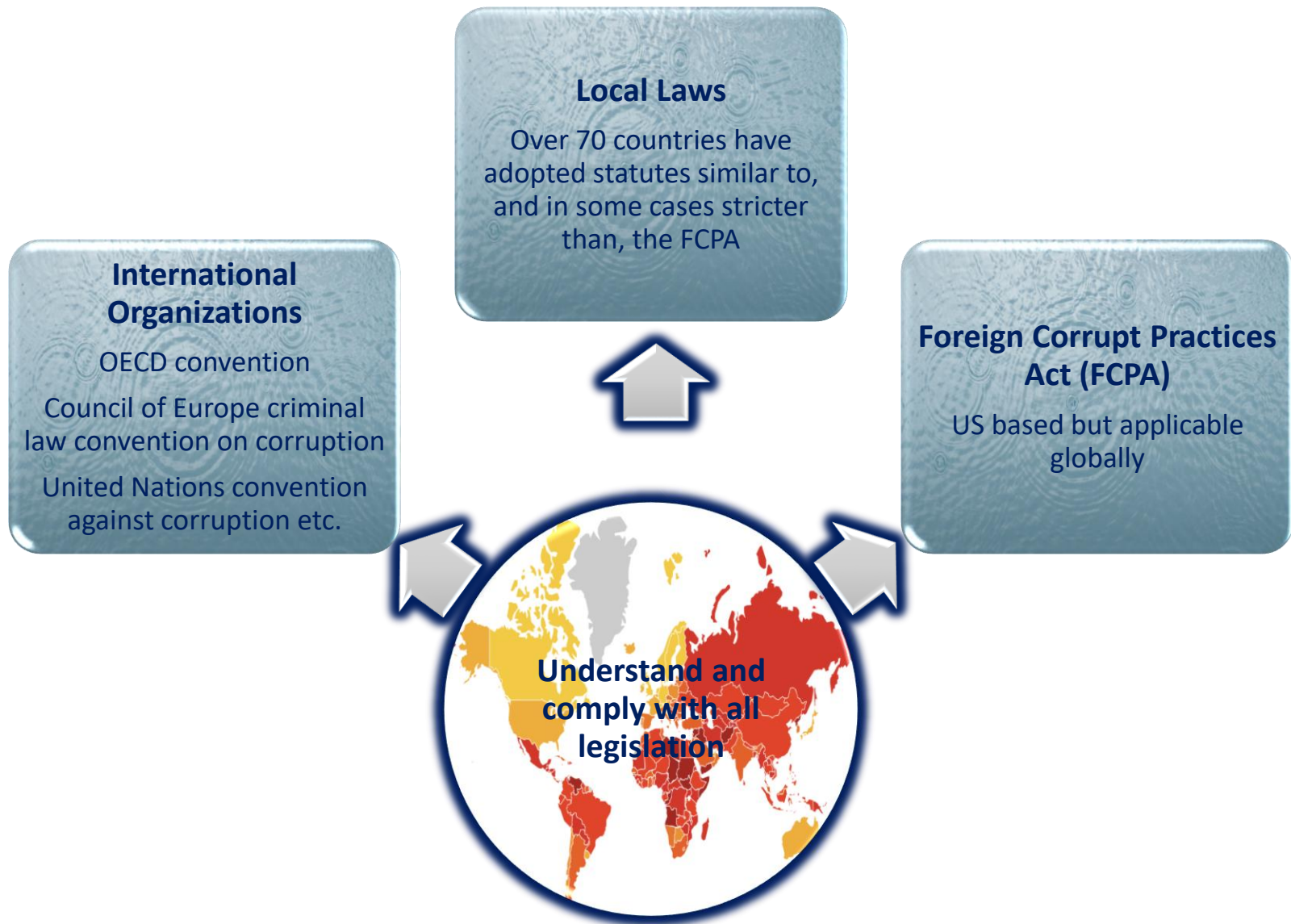
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**THE RIGHT WAY
IS
THE ONLY WAY**



The Global Compliance Environment



The FCPA



The Foreign Corrupt Practices Act prohibits the bribery of government officials. **Although it is a U.S. law, it can apply to actions that take place outside the United States.**

Violating the FCPA can lead to severe penalties. Companies have paid millions of dollars in fines, and individual employees have been sentenced to prison terms. Violations of the FCPA often breach local law as well, so offenders can be tried and sentenced in the country where the bribe occurred.

Most people think of bribes as cash payments, but the FCPA defines bribery very broadly. It can include giving anything of value to obtain an improper commercial advantage.

FCPA: No issuer, domestic concern or person with U.S. nexus may corruptly take any action in furtherance of payment or a promise, offer, or authorization of payment of a bribe or anything of value directly or indirectly (with “knowledge”) to a foreign Official to obtain or retain business or improper advantage



When working with Foreign Officials,

- Employee of any agency or instrumentality
- Officer or employee of Government-controlled company or joint venture
- Political party, Official, or candidate for public office
- Private person acting Officially
- Official of public international organization
- Judge or legislator
- Tribal leader or Member of Royal Family
- Customs Official
- Relative or dependent of an Official
- Appointed Official



it is illegal to provide anything of value

- Improper campaign contribution
- Overpayment or underpricing
- Non-essential, lavish travel expenses
- Lavish gifts or entertainment
- Up-front, lump sum per diem
- Travel for family members
- Scholarships and internships
- Facilitating payment



in order to obtain an improper advantage

- Obtain, retain or renew a contract
- Obtain regulatory approvals
- Prevent adverse Government action
- Obtain a competitor's bid
- Obtain money that is due to you
- Avoid duties
- Reduce taxes or Increase profits



Facilitating Payments

A payment that speeds up a government action but does not influence the decision

Universal prohibits ALL of these payments

Which of the following is a facilitating payment?

- a) A small payment to a government official to speed up the stamping of a visa
- b) A small payment to a government inspector to pass an inspection
- c) A small payment to a police officer to tear up a traffic ticket?



What should you do if someone requests an improper payment?



Don't make the payment and report the request to your Universal contact.

How our Compliance Program affects you:

- Universal has long term partnerships and works in close collaboration with a number of organizations and Freight Forwarders like you.



- Integrity is a core Universal value. We have developed our Compliance Program to protect Universal and our Agents and Partners.



- Due Diligence on all partners is part of this Program.



- We expect all our partners to participate in our Anti-Corruption Compliance Program.



Due Diligence Process



Post Retention Monitoring

- New / Changes in relationships with Officials
- Violations of the FCPA or other laws
- Audits where applicable
- Annual Certification of Compliance form
- Annual on-line training and face-to-face training every 3 years
- Every 3 years: Agreement Renewal



Due Diligence Process



Due Diligence Questionnaire



Certification of Compliance



Contract Provisions

[illegible][illegible][illegible]

Subcontractors



Please notify Universal if you engage a new subcontractor.

- Cannot be used unless prior written approval has been granted by Universal.
- Must complete the requisite Universal training
- Must be provided with a copy of our Code of Conduct and Anti-Corruption Compliance Manual and confirm that they have read and understand the contents of the Code of Conduct and relevant sections of the Anti-Corruption Compliance Manual.

Audit Rights

Review Books and Records related to:



- Services you have performed on our behalf
- Interactions with Government Officials on our behalf
- Compliance with our agreement
- Compliance with Universal's Anti-Corruption Compliance Program

Books and Records may include:



- General ledger accounts
- Sub-ledger accounts
- Bank statements and reconciliations
- Petty cash ledgers and supporting documentation related to our business arrangement

The review process may include:



- Inquiry of relevant personnel
- Walkthroughs of processes and controls
- Testing of underlying transactions

Reviews:



- Will be pre-scheduled
- Performed by Universal or out-sourced to a mutually agreeable accounting firm
- Will be performed at Universal's cost
- Will respect privacy and confidentiality and results will be shared with you



Potential Red Flags



Advise us if

- A Government Official requests a payment to move your shipment to the front of the line.
- A dispute with a local regulator is without merit.
- A Government Official says a payment is necessary for them to do their job.
- A customer or Government Official links gifts or hospitality to a business benefit.
- A Government Official charges fee for service but is unwilling to give a receipt.
- A dispute with a local regulator suddenly ends without explanation.
- A Customer or Government Official says a payment is necessary to “do business here.”
- A Government Official suggests that we make payments or donations to resolve a dispute.
- A Government Official requests a per diem or "walking around money".





No Improper Payments

- No money or anything of value to be offered, promised or paid, directly or indirectly, to obtain an improper advantage



Comply with Laws

- No actions that would be in violation of applicable laws in your country or in the US



Comply with Codes

- Awareness of and Compliance with Universal's Code of Conduct and Anti-Corruption Compliance Manual



Complete Training

- Complete compliance training, face to face and on-line, and share with employees and sub-contractors interacting with Official's on Universal's behalf



Not an Official

- No officers, directors or employees should be an Official or relative of an Official.
- No Officials to have any substantial financial interests in the contractual agreement



Subs & Agents

- No retention of sub-contractors, representatives or agents without prior, written Universal approval



Accuracy of Due Diligence

- Any significant changes to due diligence information should be promptly notified to Universal



No payments of money or anything of value may be offered, promised or paid, directly or indirectly, to anyone, including Government Officials, to obtain an improper advantage. This includes paying for gifts, travel and hospitality for an Official without Universal's pre-approval.

For example, we do not make payments:

- To an inspector to pass an inspection
- To a Customs Official to speed up paperwork
- To an Official to schedule pre-shipping product inspections
- That are or could be perceived as a kickback
- To an Official to issue a certificate of product delivery
- To an Official to obtain a phyto-sanitary certificate
- To an Official to influence a grading inspection
- To any Official as a tip or gratuity for doing their job.

No payments on Universal's behalf to a Government Official. Should such a payment be requested please let us know promptly.

No improper payments – no improper advantage

What to do if you have any questions?

**Ask
us!**



Your Universal contact



compliance@universalleaf.com

www.universalcorp.com/compliance



Code of Conduct, Anti-Corruption
Compliance Manual
Leading with Integrity Brochure

