



Code of Ethics and Conduct Anti-Bribery, Anti-Corruption, and Anti-Trust Agreement

Paramount Transportation Systems maintains certain policies to guide its employees with respect to standards of conduct expected in areas where improper activities could damage the company's reputation and otherwise result in serious adverse consequences to the company and to employees involved. The purpose of this policy is to affirm, in a comprehensive statement, required standards of conduct and practices with respect to certain type of payments and political contributions.

Paramount Transportation Systems requests that you carefully read this document and sign the bottom of the agreement for as long as you are committed with Paramount Transportation Systems, and its subsidiaries, to fight against bribery and corruption.

Paramount Transportation Systems conducts its business fairly, impartially, in an ethical and proper manner, and in compliance with all laws and regulations.

- (1) Paramount Transportation Systems is committed to conducting its business with integrity underlying all relationships, including those with citizens, customers, suppliers and communities, and among employees. The highest standards of ethical business conduct are required. Employees will not engage in conduct or activity that may raise questions as to the company's honesty, impartiality or reputation or otherwise cause embarrassment to the company. Employees will avoid any action, whether or not specifically prohibited in the personnel policies, which might result in or reasonably be expected to create an appearance of:
 - Using public office or public position for private gain
 - Giving preferential treatment to any person or entity
 - Losing impartiality
 - Adversely affecting the confidence of the public in the integrity of the company
- (2) Every employee and associate has the responsibility to ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy. Paramount Transportation Systems will maintain a program to communicate to employees its commitment to integrity and uncompromising values. The program will inform employees of policies and procedures regarding ethical business conduct and assist them in resolving questions and in reporting suspected violations. Retaliation against employees who use these reporting mechanisms to raise genuine concerns will not be tolerated.
- (3) The Human Resources department is responsible for providing policy guidance and issuing procedures to assist employees in complying with the Company's expectations of ethical business conduct and uncompromising values. This policy constitutes the standards of ethical business conduct required of all employees. Managers are responsible for supporting their implementation and monitoring compliance.

1. PURPOSE:

The purpose of this agreement is to ensure Paramount Transportation Systems employees/vendors/agents/partners/suppliers are in compliance with all the applicable anti-bribery and anti-corruption policies.

Associates will maintain the highest ethical standards in the conduct of company affairs. Intent of this policy is that each associate will conduct the company's business with integrity and comply with all applicable laws in a manner that excludes considerations of personal advantage or gain.

The following is a summary of the company's policy:

2. GENERAL POLICY APPLICATION

A. Gifts, Favors, and Payments by the Company: Gifts, favors, and payments may be given to others at company expense, if they meet all of the following criteria:

1. They are consistent with accepted business practices
2. They are of sufficiently limited value and in a form that will not be construed as a bribe or payoff
3. They are not in violation of applicable law and generally accepted ethical standards
4. Public disclosure of the facts will not embarrass the company

B. Gifts, Favors, Entertainment and Payments Received by Company Associates:

1. Associates shall not seek or accept for themselves or others: any gifts, favors, entertainment, or payments without a legitimate business purpose. Nor shall they seek or accept personal loans (other than conventional loans at market rates from lending institutions) from any persons or business organizations that do or seek to do business with or is a competitor of the company. In the application of this policy:
 - a. Associates may accept for themselves and members of their families' common courtesies usually associated with customary business practices. These include but are not limited to:
 - Lunch and/or dinner with vendors sometimes including spouses as long as the invitation is extended by the vendor.
 - Gifts of small value from vendors such as calendars, pens, pads, knives, etc.
 - Tickets to events (such as sports, arts, etc.) are acceptable if offered by the vendor and the vendor accompanies the associate to the event. These are not to be solicited by the company associate and must be approved by the appropriate company officer.
 - Overnight outings are acceptable under the condition that individuals from either other companies or the vendor are in attendance. The associate must have prior approval from the appropriate company officer.
 - The receipt of alcoholic beverages is discouraged.
 - Gifts of perishable items usually given during the holidays such as hams, cookies, nuts, etc., are acceptable.



b. A strict standard is expected with respect to gifts, services, discounts, entertainment or considerations of any kind from suppliers.

- Day outings such as golf, fishing, and hunting are acceptable with prior approval from the appropriate company official. The vendor must be in attendance and participation by the associate's family members is not acceptable.
- Use of vendor's facilities (vacation homes, etc.) by associates or families for personal use is prohibited. In the event the vendor is present for the duration of the visit such a situation is acceptable as long as it is only once per year and for limited duration, i.e. a long weekend. The associate must have prior approval from the appropriate company officer.
- It is never permissible to accept a gift in cash or cash equivalent such as stocks or other forms of marketable securities of any amount.

2. Management associates should not accept gifts from those under their supervision of more than limited value.

C. Prohibition of Improper Payments

The company expects all associates to use only legitimate practices in commercial operations and in promoting the Company position on issues before governmental authorities. "Kickbacks" or "bribes" intended to induce or reward favorable buying decisions and governmental actions are unacceptable and prohibited.

No employee of the company or any controlled affiliate acting on the company's behalf shall, in violation of any applicable law, offer or make directly or indirectly through any other person or firm any payment of anything of value (in the form of compensation, gift, contribution or otherwise) to:

In utilizing consultants, agents, sales representatives or others, the company will employ only reputable, qualified individuals or firms under compensation arrangements, which are reasonable in relation to the services performed.

D. Political Contributions

The company will not make any contribution to any political party or to any candidate for political office in support of such candidacy except as provided in this policy and as permitted by law.

In the United States, federal law strictly controls corporate involvement in the federal political process. Generally, federal law provides that no corporation may contribute anything of value to any political party or candidate in connection with any federal election.



E. Conflicts of Interest

Associates should avoid any situation which involves or may involve a conflict between their personal interest and the interest of the company. As in all other facets of their duties, associates dealing with customers, suppliers, contractors, competitors or any person doing or seeking to do business with the company are to act in the best interest of the company. Each associate shall make prompt and full disclosure in writing to their manager of any potential situation which may involve a conflict of interest. Such conflicts include:

1. Ownership by associate or by a member of their family of a significant interest in any outside enterprise which does or seeks to do business with or is a competitor of the company.
2. Serving as a director, officer, partner, consultant, or in a managerial or technical capacity with an outside enterprise which does or is seeking to do business with or is a competitor of the company. Exceptions to this can be approved by the Chief Executive Officer of Paramount Transportation Systems.
3. Acting as a broker, finder, go-between or otherwise for the benefit of a third party in transactions involving or potentially involving the company or its interests.
4. Any other arrangements or circumstances, including family or other personal relationships, which might dissuade the associate from acting in the best interest of the company.

F. Confidential Information

The revelation or use of any confidential product information, data on decisions, plans, or any other information which might be contrary to the interest of the company without prior authorization, is prohibited. The misuse, unauthorized access to, or mishandling of confidential information, particularly personnel information, is strictly prohibited and will subject an associate to the discipline policy up to and including immediate discharge.

Our clients and other parties with whom we do business entrust Paramount Transportation Systems with important information relating to their businesses. It is our policy that all information considered confidential will not be disclosed to external parties or to employees without a "need to know." If there is a question of whether certain information is considered confidential, the employee should first check with his/her immediate supervisor.

This policy is intended to alert employees to the need for discretion at all times and is not intended to inhibit normal business communications.

G. Compliance with Antitrust Laws:

Paramount Transportation Systems recognizes a need to single out compliance with the antitrust laws of the United States and other countries as a subject requiring a specific Company policy. The antitrust laws are relevant to many business decisions, and the consequences of violations anywhere can be seriously injurious to the Company and to the individuals involved.

Several provisions of the antitrust laws of the United States contain penal provisions under which employees who authorize or engage in acts in violation of such laws are personally subject to substantial fines and imprisonment. There are also in existence a number of antitrust decrees affecting the Company and its employees. Violation of anyone of the provisions of these decrees is an offense, which may subject the Company and the individuals involved to severe penalties.



Each manager must accept the challenge to have the Company excel competitively at the point of market confrontation; for, apart from legal penalties. Company growth and profitability objectives would be frustrated by arrangements with other business firms, which restrict its competitive initiative.

Officers, managers and other key employees are expected to develop in employees a sense of commitment to comply with this policy. The antitrust compliance environment within such a key employee's assigned area of responsibility will be a significant factor in evaluating the quality of that individual's performance.

Statement of Policy

It is the objective of the Company:

- to comply with the antitrust laws of the United States and other countries applicable to its business operations, and
- to hold employees in management positions personally and strictly accountable for taking the measures necessary to achieve this objective within their areas of responsibility.

In furtherance of this Policy and specifically in furtherance of compliance with Section I of the Sherman Act:

1. No employee shall enter into any understanding or agreement-whether expressed or implied, formal or informal, written or oral-with a competitor limiting or restricting any of the following aspects of the competitive strategy of either party or of the business offering of either party to any third party or parties:
 - Prices
 - Costs
 - Profits
 - Product or service offerings
 - Terms or conditions of sale
 - Production or sales volume
 - Production facilities or capacity
 - Market share
 - Decisions to quote or not to quote
 - Customer or supplier classification or selection
 - Sales territories
 - Distribution methods
2. No employee shall enter into any understanding or agreement with a purchaser or lessee of a product sold or leased by the Company which restricts the right of the purchaser or lessee to determine the price at which to resell or lease such product; nor shall any employee enter into such an agreement when the Company is the purchaser or lessee of a product.



3. The following understandings may be in violation of the antitrust laws under certain circumstances and may be entered into by an employee of the Company only if the agreement has been reviewed by Company legal counsel in advance of execution and in the opinion of counsel is not in violation of law:
 - a. Understandings with any customer or supplier which condition the sales or purchases of The Company on reciprocal purchases or sales by the customer/supplier;
 - b. understandings with any purchaser or lessee of a product of the Company which in any way restrict the discretion of the customer to use or resell the product as the customer sees fit;
 - c. understandings with anyone which restrict the discretion of either party to manufacture any product or provide any service, or to sell to, or buy from, any third party.

H. Discussions and Exchange of Information with Competitors

Communication with a competitor on subjects as to which an understanding with the competitor would be illegal is, in antitrust litigation, likely to serve as important evidence of the existence of an understanding, particularly if the communication is accompanied or followed by similarity of action. The prohibitions set forth below are thus intended to avoid antitrust prosecutions which, though based on merely circumstantial evidence, may nevertheless be difficult to defend successfully.

Accordingly, no employee shall discuss with a competitor or any third party acting for a competitor, or otherwise furnish to or accept from a competitor or any third party acting for a competitor, information on any subject as to which an understanding with the competitor is prohibited by paragraph A. above on compliance with Section I of the Sherman Act unless, in the opinion of Company legal counsel, such discussions or transmittal of information would neither violate the antitrust laws nor furnish a reasonable basis for inferring such a violation. This paragraph does not preclude obtaining competitive information from independent third-party sources who are not acting for a competitor in transmitting the information. However, certain other legal and policy restrictions applicable to transactions with the federal government limit the competitive information that may be obtained from a third-party source.

I. Participation in Trade Associations and Other Meetings with Competitors

1. No employee shall attend or remain present:
 - a. at any surreptitious meeting of competitors;
 - b. at any meeting where there is a discussion by competitors of any subject which the Company's employee is precluded from discussing by the paragraph above on Discussions and Exchange of Information with Competitors; or
 - c. at any informal meeting of competitor members of a trade association held for the purpose of discussing business matters without observing the formal procedural requirements established by such trade association for its business meetings.



2. Employees should also be aware that participation in standard development and product certification activities, which impact competitors or suppliers, may raise antitrust concerns. Before participating in committees or organizations, which develop standards or certify products, employees should consult with Company legal counsel.

Any violation of this policy will subject the associate to Administrative disciplinary action or immediate discharge. Any Company associate having knowledge of any violation of the policy shall promptly report such violation to the appropriate level of management. Each vice president and company officer of Paramount Transportation Systems. is responsible for compliance in their area of responsibility. When questions arise concerning any aspect of this policy, contact corporate Human Resources.

