



Lockhart for Industrial Services

ANTI-BRIBERY & CORRUPTION CODE OF CONDUCT

1. Purpose

The purpose of this code is to establish controls to ensure compliance with all applicable anti-bribery and corruption regulations, and to ensure that the Company's business is conducted in a socially responsible manner.

2. Policy statement

Bribery is the offering, promising, giving, accepting or soliciting of an advantage as a reward for action which is illegal or a breach of trust. This includes accepting anything of material value to gain a commercial, contractual, regulatory or personal advantage.

It is our code to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.

We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by Canadian laws, including the Canadian Corruption of Foreign Public Officials Act 1998, in respect of our conduct.

Bribery and corruption are punishable by up to fourteen years imprisonment. If we are found to have taken part in corruption, we could also face fines, be excluded from tendering for contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.

3. Scope

3.1 Who is covered by the code?

In this code, **third party** means any individual or organization you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

This code applies to all individuals working at all levels, including senior managers, officers, employees (whether permanent or temporary), consultants, contractors, trainees, interns, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as **employees** in this code).

This code covers:

- Bribes;
- Gifts and hospitality;
- Facilitation (foreign officials) payments;
- Political contributions;
- Charitable contributions.

3.2 Bribes

Employees must not engage in any form of bribery, either directly or through any third party (such as an agent or distributor). Specifically, employees must not bribe a foreign public official anywhere in the world.

3.3 Gifts and hospitality

Employees must not offer or give any gift or hospitality:

- which could be regarded as illegal or improper, or which violates the recipient's policies; or
- to any public employee or government officials or representatives, or politicians or political parties; or
- which exceeds \$50 in value for each individual or event gift, unless approved by Senior Management.

Employees may not *personally* accept any gift or hospitality from any business partners. Such gifts shall be accepted and distributed fairly to all staff as per Senior Management approval.

We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

3.4 Facilitation payments and kickbacks

Our strict policy is that facilitation payments must not be paid.

Facilitation payments are made for the purpose of expediting or facilitating the performance of a public official for a routine governmental action, and not to obtain or retain business or any improper business advantage.

3.5 Political Contributions

We do not make donations, whether in cash or kind, in support of any political parties or candidates, as this can be perceived as an attempt to gain an improper business advantage.

Employees may personally make political contributions provided they are not used to conceal bribery and are legal and ethical under local laws and practices.

3.6 Charitable contributions

Charitable support and donations are acceptable (and are encouraged!), whether they be in-kind services, knowledge, time, or direct financial contributions.

However, employees must be careful to ensure that charitable contributions are not used as a scheme to conceal bribery. We only make charitable donations that are legal and ethical under local laws and practices.

4. Your responsibilities

You must ensure that you read, understand and comply with this code.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for or with us. All employees are required to avoid any activity that might lead to, or suggest, a breach of this code.

You must notify Senior Management as soon as possible if you believe or suspect that a conflict with or breach of this code has occurred, or may occur in the future.

Any employee who breaches this code will face disciplinary action, which could result in immediate dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers or organizations if they breach this code.

5. Record-keeping

We keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

You must disclose to Senior Management all hospitality or gifts accepted or offered.

All expenses claims relating to hospitality, gifts or expenses incurred to third parties must be documented including specific details of the reason for the expenditure.

All accounts, invoices and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

6. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries or concerns, these should be raised directly with Senior Management.

7. What to do if you are a victim of bribery or corruption

It is important that you tell Senior Management as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

8. Protection

Employees who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this code, even if they turn out to be mistaken.

We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavorable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform Senior Management immediately.

9. Training and communication

Training on this code forms part of the orientation process for all new employees.

All existing employees will receive relevant training on the details of this code upon its implementation. In addition, all employees will be asked to formally accept conformance to this code during the employee annual performance review.

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

10. Who is responsible for the code?

The Senior Management Team has overall responsibility for ensuring this code complies with our legal and ethical obligations, and that all those employed by or work with us comply with it.

Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this code and are given adequate training on it.

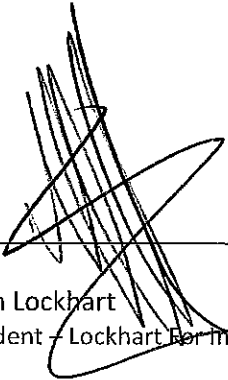
11. Monitoring and review

The Human Resources Coordinator will review the implementation of this code, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All employees are responsible for the success of this code and should ensure they use it to disclose any suspected danger or wrongdoing.

Employees are invited to comment on this code and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to Human Resources or Senior Management. This document may be amended at any time.

Management Endorsement:

A handwritten signature in black ink, appearing to read 'Kevin Lockhart', is written over a horizontal line. The signature is stylized and somewhat illegible due to the cursive and overlapping strokes.

Kevin Lockhart
President - Lockhart For Industrial Services

September 15, 2013