



ANTI-CORRUPTION COMPLIANCE POLICY

Executive Summary

UTEC International Limited and its subsidiaries (collectively, "UTEC")¹ embrace the highest standards of honesty, ethics, and integrity as core business values, and will do business only in lawful and ethical ways. UTEC's corporate policy is to abide by all laws applicable to the jurisdictions in which it operates. The Company expects both its employees and anyone doing business on its behalf to comply with all applicable laws.

UTEC's operations are subject to a number of laws including, but not limited to, the United Kingdom's Bribery Act 2010 and the U.S. Foreign Corrupt Practices Act ("FCPA"). Our operations are also subject to the local anti-corruption laws of every jurisdiction in which we operate.² This policy details the Company's commitment to comply with all of these laws.

UTEC expressly prohibits commercial bribery, foreign and domestic bribery, and other corrupt practices of any sort. All UTEC directors, officers and employees, including all directors, officers and employees of its subsidiary, branch, or overseas offices, are responsible for compliance with this policy. No violation of this policy will be tolerated.

If you ever have a question regarding the propriety of a proposed transaction, the matter must be referred to UTEC's Compliance Officer for review and evaluation before the transaction takes place.

I. Bribery of Public Officials

Many anti-corruption laws prohibit the bribery of public officials. While bribery has a range of definitions in law, the fundamental principles apply universally:

Bribery is the corrupt offering, promising, paying, authorizing payment of, or giving anything of value to a public official in order to obtain or retain business or secure an improper advantage in the conduct of business. "Corrupt" intent can be expressed as the intent to influence a public official in the performance of his public functions.

Anti-corruption laws prohibit such payments to public officials whether they are made directly by a UTEC employee or indirectly through one of the Company's third-party agents. Some anti-corruption laws – such as the FCPA – also require certain companies to comply with accounting standards that bolster transparency.

Penalties for violating anti-corruption laws can be severe, including multi-year prison terms for individuals (including foreign nationals working for the Company) and millions of dollars in fines for companies. For these reasons, it is important that you understand the scope of any applicable anti-corruption laws and comply with their provisions.

¹ For purposes of this Anti-Corruption Compliance Policy, "UTEC" or "the Company" means UTEC International Limited and its wholly- or majority-owned subsidiaries or joint ventures, including but not limited to UTEC Survey Inc., UTEC Survey Canada Limited, UTEC Survey Construction Services Limited, UTEC Survey Asia Pte Limited, and UTEC Survey Australia Pty Ltd.

² Anti-corruption laws that may apply to portions of UTEC's operations include, among others, Australia's Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999, Canada's Corruption of Foreign Public Officials Act, Singapore's Prevention of Corruption Act, and Brazilian law 10.467 of June 11, 2002.

A. Who is a Public Official?

Most anti-corruption laws define the term “public official” broadly to include any officer or employee of a government, government instrumentality, or public international organization. The term also includes any person acting in an official capacity for or on behalf of a government or government instrumentality (such as a public agency or public enterprise), or for or on behalf of a public international organization. Under these definitions, employees of state-owned or controlled corporations—such as national oil-and-gas companies—are considered “public officials.” Other typical examples of “public officials” you may encounter during your work for the Company include:

- Officials and employees of any foreign government, government agency, or government department, whether it be executive, legislative, or judicial in nature.
- Harbor masters, Port officials, and employees of Coast Guards.
- Customs and Immigration officials and employees.
- Employees of companies operating ports pursuant to privatization contracts with local or national governments.
- Officers and employees of public international organizations, such as the United Nations, the World Bank, and the International Monetary Fund.

Enforcement authorities often consider family members of “public officials” to be public officials themselves. Therefore, the same precautions must be taken in dealings with a public official’s family member as would be taken with the public official himself or herself. Additionally, many anti-corruption laws – such as the FCPA – prohibit corrupt payments to foreign political parties and to candidates for foreign political offices.

Many anti-corruption laws focus on bribery of “foreign” public officials – meaning the public officials of a country or territory other than the country or territory where the law was passed. Because UTEC’s operations are potentially subject to the anti-corruption laws of several jurisdictions (including the UK’s Bribery Act 2010 and the FCPA), UTEC’s employees and representatives should treat all public officials as “foreign” public officials for purposes of this policy.

B. What is a Bribe?

Anti-corruption laws prohibit more than just cash payments to public officials. Instead, they prohibit giving, offering, or promising to give “any financial or other advantage” or “anything of value” to a public official in order to obtain or retain business or secure some other improper advantage. A bribe could be:

- Cash
- Gifts, travel, or entertainment (e.g., expensive dinners, an expense-paid hunting trip, or tickets to a sporting event)
- Offers of employment, either to the official or to one of his or her relatives or associates
- Contracts
- Offers of educational scholarships or other assistance to an official or to one of his or her relatives or associates
- Assumption or forgiveness of debt



- Donations to charities controlled by a public official or a close associate of a public official
- Anything that a reasonable person would consider valuable enough to affect the recipient's decision making

Remember, enforcement authorities take the phrase "anything of value" very literally—and so should you.

C. Obtain or Retain Business

Anti-corruption laws generally prohibit bribes to "obtain or retain business." Enforcement authorities often consider any bribe paid to secure an unfair or improper advantage over competitors to be a corrupt payment. For example, payments to customs officials to secure priority handling over a competitor, or to avoid customs duties may result in enforcement actions, as may payments to tax officials to obtain an expedited or possibly unwarranted tax refund. UTEC therefore prohibits any payments that would result in an improper business advantage.

D. Third Parties, Red Flags, and the Knowledge Standard

One of the most sensitive areas for UTEC and its employees is in relations with third parties, such as sales agents, local commercial agents, and consultants. If a third party bribes a public official on the Company's behalf, then you and the Company can be liable if you knew or had reason to know that the bribe would be paid.

Enforcement authorities generally give a broad interpretation to such knowledge standards. Even if you do not know with certainty that a third party is going to pay a bribe on the Company's behalf, both you and UTEC can be liable for the third party's bribery if you are aware of facts that create a high probability that the third party will pass through all or part of the value it receives from the Company to a public official. Such facts are considered anti-corruption "red flags."

E. Anti-Corruption Red Flags—Watch for Them

There are various types of "red flags" that warrant further investigation, especially when selecting or supervising a third party like an international consultant, agent, or contractor. The following are just a few examples of red flags in this context:

- The country has a historical bribery problem.
- Due diligence reveals the third party's questionable background or reputation, or that the third party is a shell company or has some other unorthodox corporate structure.
- A public official recommends an agent or other third party to UTEC. This is particularly troubling where the public official has discretionary authority over Company business.
- The third party objects to a "no-bribery" pledge and related anti-corruption language in the Company's proposed agreements.
- A public official has an ownership interest in the third party.
- The third party has a close personal, family, or business relationship with a public official or relative of a public official.
- The third party requests unusual contract terms or payment arrangements, such as payment in cash, payment in another country's currency, payment outside of the country in which it operates, or payment to a bank account which is not its own.



- Irregular or inaccurate invoicing of any nature.
- The third party is not qualified to render the services requested.
- The third party requires that his or her identity or, if a company, the identity of the company's owners, principals or employees not be disclosed.
- The third party's fee or other compensation exceeds the "going rate."

If you spot a red flag, even one that arises after a relationship has begun, don't ignore it. You should immediately report any red flags associated with one of the Company's third-party relationships to the Compliance Officer.

F. Can a Payment to a Public Official Ever Be Lawful?

Certain anti-corruption laws – such as the FCPA – specify narrow circumstances where a payment to a public official may be lawful. The first is where the payment qualifies as a "facilitating payment." The second is for certain reasonable and bona fide business expenditures. Other anti-corruption laws, however, including the Bribery Act 2010, contain no specific exception for either of these circumstances, but may not consider them 'corrupt' or illegal as long as they meet certain parameters discussed below.

THE COMPANY STRONGLY DISCOURAGES THESE KINDS OF PAYMENTS, AND PRIOR WRITTEN APPROVAL FROM THE COMPLIANCE OFFICER IS REQUIRED BEFORE EITHER OF THESE TYPES OF PAYMENTS MAY BE MADE.

i. Facilitating Payments

In many countries, it is customary business practice to make facilitating payments to "facilitate" a routine action or process. A facilitating or "grease" payment is typically a small payment (normally a small amount, and rarely more than \$500) to a public official made to induce what should be a non-discretionary action such as:

- processing routine business permits;
- processing governmental papers such as visas;
- providing police protection, mail delivery, or scheduling inspections associated with contract performance or the shipment of goods;
- providing phone, power or water service, loading and unloading cargo; or
- other similar activities which are ordinarily and commonly performed by an official.

Facilitating payments induce actions that should be performed in any event and do not involve discretionary action by a public official, and never involve decisions such as deciding whether to award new business or a contract. A facilitating payment is *not* one made to induce a public official to ignore his or her lawful duty, or to ignore any legal requirement.

Because these payments are often technically illegal under the laws of the country in which they are made, UTECH strongly disfavors these types of payments and will allow them only if there is no other way to address a critical situation and only with prior written approval of the Compliance Officer.

UTECH requires that all facilitating payments be recorded accurately and completely in its books and records.

ii. Reasonable and Bona Fide Business Expenditures

Certain payments, gifts, or offers of things of value to public officials may be lawful if they are reasonable and bona fide business expenditures, such as travel and lodging expenses, and are directly related to:

- (A) the promotion, demonstration, or explanation of products or services; or
- (B) the execution or performance of a contract with a foreign government or agency thereof.

Typical examples of reasonable and bona fide business expenditures would include an inexpensive, customary holiday gift bearing the company's logo or travel expenses for the public official to view the Company's facilities in a particular locale. Reasonable and bona fide payments must be strictly controlled and every effort must be made to eliminate or minimize such transactions. Promotional payments, if required, will be permitted only if they are reasonable under all the circumstances and made in accordance with local custom and practice. Prior written approval by UTEC's Compliance Officer is required for any payment, gift, or offer of a thing of value to a public official.

II. **Commercial Bribery**

In addition to laws prohibiting bribery of public officials, most jurisdictions in which UTEC operates have laws prohibiting commercial bribery. For example, the UK's Bribery Act 2010 prohibits a person from offering, promising, or giving a financial or other advantage to another person with the intent to induce or reward the improper performance of the recipient's function or activity. The Act also prohibits a person from requesting, accepting, or agreeing to receive such bribes. These prohibitions apply where (A) the function or activity of the recipient of the bribe is of a public nature, connected with a business, performed in the course of employment, or performed by or on behalf of a corporate or unincorporated body of persons, and (B) the recipient is expected to perform the function or activity in good faith or impartially, or is in a position of trust by virtue of performing it. These provisions apply to functions and activities both within and outside of the United Kingdom.

These laws obviously prohibit 'under the table' payments to persons working for business partners of UTEC. But they can also apply in certain situations to gifts, entertainment, travel and other things of value discussed previously. In this context transparency is extremely important. Any company with whom UTEC does business should be made aware of and approve of UTEC's provision of anything of value to its employees, such as gifts, entertainment, travel and anything else of significant value. The expenses should meet the test described above for "Reasonable and Bona Fide Business Expenses," and they should never be concealed from a person's employer.

As UTEC International Limited is a UK company, it is UTEC's corporate policy that all UTEC directors, officers and employees, including all directors, officers and employees of its subsidiary, branch or overseas offices, are responsible for complying with the restrictions set out in the Bribery Act 2010, as well as any other applicable laws related to commercial bribery in any jurisdiction in which UTEC operates.

Remember, if you have questions or doubts about a particular transaction, discuss it beforehand with the Compliance Officer.

III. **Accounting Standards**

As part of its commitment to accuracy and transparency, UTEC subscribes to certain accounting standards. In this regard, UTEC will:



- Make and keep books and records which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company. This means that there can be no false or deceptive invoicing, no vague or misleading entries in the Company's books, and no unrecorded payments or transactions. Instead, transactions must be recorded as what they are.
- Devise and implement a system of internal controls sufficient to provide reasonable assurance that
 - transactions are executed in accordance with management's general or specific authorization;
 - transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with relevant accounting principles (Such as UK GAAP, US GAAP, or IAS) or any other criteria applicable to such statements, and (ii) to maintain accountability for assets;
 - access to Company assets is permitted only in accordance with management's general or specific authorization; and
 - the recorded accountability for corporate assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

It is UTECH's policy that all Company units—including subsidiaries, branches, and/or overseas offices—comply with these accounting standards. Additionally, all affiliates in which the Company directly or indirectly owns more than 50% of the voting shares or over which the Company otherwise exercises control must adopt the same or equally adequate accounting and financial control systems. The Company will also make good-faith efforts to ensure that affiliates in which the Company (or one of its subsidiaries) holds 50% or less of the voting shares comply with the Company's accounting and internal controls standards as well as any applicable record-keeping and accounting legal requirements.

All Company transactions are subject to verification by the Chief Financial Officer or his designee. Exceptions will be reported to management.

IV. Guidelines and Requirements for Complying with this Policy

All UTECH officers, employees, agents, and third parties are required to comply with this Anti-Corruption Policy and the procedures listed below. Failure to comply will result in disciplinary action, up to and including termination of employment.

To help ensure compliance, the following procedures are hereby implemented:

1. **Employee Training and Certification.** Employees who (1) are reasonably likely to come into contact with domestic or foreign public officials, or (2) interface with third-parties who in turn are reasonably likely to interact with domestic or foreign public officials on UTECH's behalf, or (3) perform significant accounting functions in relation to overseas operations, or (4) have authority or responsibility over any of the foregoing categories of employees, will be required to attend periodic anti-corruption training seminars and to sign annual certifications that they have not paid, caused to be paid, and/or have no knowledge of any bribes paid to domestic or public officials on the Company's behalf.
2. **Expenditure Requests.** All UTECH directors, officers, and employees are required to comply with UTECH guidelines on expenditures related to travel, gifts and entertainment, and charitable contributions.



3. **Third Party Relationships.** The Compliance Officer, with the assistance of appropriate officers, employees, outside counsel, and/or consultants, will undertake and oversee appropriate due diligence for each of the Company's third party relationships as circumstances dictate. The results of this due diligence will be documented and maintained in a central location in the Compliance Officer's files. The Company will also incorporate anti-corruption clauses into third party contracts where appropriate, and will provide anti-corruption training to certain third parties where appropriate. The above will be performed in accordance with Company guidelines on third party relationships.
4. **Investigations.** The Compliance Officer or his designee will investigate, as necessary, any corruption-related red flags that are reported to them. In most circumstances, the identity of the person reporting a red flag will be kept confidential if the person requests it.
5. **Transactional Due Diligence.** In evaluating potential acquisitions, joint ventures, or other business transactions, Company personnel must always consider corruption issues. The Compliance Officer and other appropriate personnel will conduct situation-sensitive background investigations and due diligence as necessary.
6. **Accounting.** The Company's Chief Financial Officer (CFO)/Compliance Officer, will maintain a system of internal controls sufficient to ensure that assets and transactions are accurately accounted for and that Company transactions occur only pursuant to management's general or specific approval. The CFO will also ensure that the Company's books and records accurately and fairly reflect the transactions and dispositions of the Company's assets and otherwise comply with applicable accounting standards.
7. **Compliance Audits.** The Compliance Officer or his designee will conduct periodic compliance audits of UTEC's anti-corruption program to determine deficiencies and ways to improve.

V. Local Adaptation

In order for this policy to be effective, it is necessary for it to be applied to all Company units—including subsidiaries, branches, and/or overseas offices. However, in some cases, local law may impose stricter or different anti-corruption requirements than those contained in this policy. In such cases, from time to time Company units may deem it appropriate to adopt an addendum to this policy in order to ensure compliance with local law. Local UTEC managers should consider consulting with local counsel to identify any necessary addenda to this policy, and are responsible for reporting any local addenda to the Compliance Officer. Written approval of the Compliance Officer is required prior to the entry into force of local addenda to this policy.

VI. Our Non-Retaliation Policy

UTEC does not tolerate retaliation against any employee who raises a question or concern in good faith about UTEC's business practices, including any suspected violations of this policy. Any retaliation that occurs will result in disciplinary action against the individual seeking retaliation. If you believe you have experienced retaliation, you should immediately report that concern to the Compliance Officer.

VII. How to Raise a Question or Concern

As UTEC employees, we all have a responsibility to help detect, prevent, and report instances of bribery and corruption. UTEC encourages its employees and anyone doing business on its behalf to



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raise any questions you may have about this policy or its application to UTEC operations, and to report any suspected violations of this policy to appropriate personnel as soon as possible.

If you have questions regarding this policy, or to report a concern, or to request approval for a bona fide and reasonable business expenditure or a new third party relationship, please contact the Compliance Officer, Steve Williamson, via telephone at (281) 404-4553, or via e-mail at steve.williamson@utecsurvey.com. You should also feel free to discuss any question or concern with your supervisor or local manager.

A handwritten signature in black ink that reads "Steve Williamson".

Steve Williamson, CFO
UTEC
16 May 2011