



Code Of  
**BUSINESS CONDUCT & ETHICS**

# Introduction.

## Message from CEO

The Red Flag Group is committed to promoting integrity and maintaining the highest standard of business conduct in all of its activities. Our business success is dependent on trusting relationships, which are built on this foundation of integrity. This core value is expressed by a fundamental expectation for all employees and agents to maintain the highest standards of ethical behavior in each business interaction. In all business dealings, The Red Flag Group is committed to doing the right thing.

Each of us is responsible for complying with these business practices and for reporting possible violations. If you have questions or are concerned that an action you or other are about to take is questionable, you should use the principles outlined here to help determine the proper course of action, or you should discuss the situation with your manager, or myself.

The principles outlined in this manual are critically important to all of us at The Red Flag Group. Join me in embracing these principles and making them fundamental to our company culture and business practices.

Sincerely,

**Scott Lane**  
Chief Executive Officer & Chief Compliance Officer  
January 2009

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# Summary.

## Responsibilities to the Company and Its Shareholders

01. Comply with the Law and our Standards of Conduct  
We must always comply with the law, good judgment, common sense and the highest standards of ethical conduct.
02. Treat your Colleagues Fairly and with Respect  
Employees are an important contributor to our success. Our workplace should be free from all forms of discrimination & harassment and be a safe place where all employees can thrive.
03. Avoid Conflicts of Interest  
We all have a responsibility to avoid situations where our personal interests interfere with the interests of the Company as a whole.
04. Protect our Company Secrets & Company Data  
Company Secrets and Company Data give us a competitive edge in the marketplace. Protect our secrets and data at all times.
05. Use Company's Assets for Company Business  
Company assets are to be used for the Company's business, not for yourself or your family.
06. Never Bribe or Make Illegal Payments  
We must not give or accept bribes or participate in any form of corruption anywhere in the World.
07. Protect our Customer & Partner Relationships  
Always act in a manner that builds a relationship based on trust and integrity.
08. Fair and Accurate Accounting  
We will always give full, fair, accurate and timely disclosure of our accounting and financial systems as required by law.

## Speak Up and Disciplinary Actions

## Comply with the highest levels of ethical conduct

### Our expectations:

- Act with integrity, honesty and openness at all times.
- Our Company reputation for honesty and integrity is paramount. Protect our integrity and our customer integrity at any cost.

### Who does this apply to?

The Company expects all employees, agents and contractors to exercise good judgment and the highest levels of integrity at all times.

These standards apply while working on our premises, at offsite locations where our business is being conducted, at Company-sponsored business and social events, or at any other place where you are a representative of the Company.

### What laws do we need to follow?

We follow all laws of every country that apply to our operations World-wide. All employees should have a working knowledge of permissible activities involved in their work and should check with their superior if they have any questions.

### What happens if we don't follow the law?

Violations of laws, regulations, rules and orders may give rise to your own individual criminal or civil liability. You could also be subjected to disciplinary actions by the Company and potentially lose your job.

“ We must always comply with the law, good judgment, common sense and the highest standards of ethical conduct. ”

### Example

#### Question:

A customer has asked us to do something unethical. What should we do?

#### Answer:

The Red Flag Group Code fully supports our customers but we always draw the line when our integrity or theirs is an issue.

 Treat your Colleagues Fairly and with Respect

# Treat your Colleagues Fairly and with Respect.

Every employee is an important contributor to the Company's success. All employees work as a team to produce quality products and services. In so doing, the Company is committed to hiring, promoting and compensating employees based on their qualifications and demonstrated ability to perform job responsibilities.

Our expectations are that all employees will:

- Work together in a safe manner and bring all hazards in the workplace to the attention of management.
- Never harass another person physically or sexually and will not engage in any form of abuse whether physical, verbal, or otherwise.
- Take their role seriously and strive to continually learn and develop their skills and knowledge to maximize their potential.



**For more information:**

See the The Red Flag Group Employee Handbook

“ Employees are an important contributor to our success. Our workplace should be free from all forms of discrimination & harassment and be a place where all employees can thrive. ”

### Example

**Question:**

One of my colleagues always sends jokes around on email to our team. The jokes often have racial undertones and upset myself and other members of my team. What should I do?

**Answer:**

You should report the matter to the CEO. Sending jokes or any material around that has racial or sexual undertones is a form of harassment and will not be tolerated.



Avoid Conflicts of Interest

## Avoid Conflicts of Interest.

### What are conflicts of interest?

A conflict of interest occurs when your private interests interfere in any way, or even appear to interfere, with the interests of the Company as a whole.

### What are some examples of a conflict of interest?

- Additional Employment that
  - Creates a conflict of interest or is incompatible with your position with the Company.
  - Impairs or has a detrimental effect on your work performance with the Company.
  - Requires you to conduct work or related activities on the Company's premises during working hours or using the Company's facilities or equipment.
  - Directly or indirectly competes with the business or the interests of the Company.
- A personal investment in another business if the investment might affect or appear to affect your ability to make unbiased business decisions for the Company (e.g if you have an investment in a customer).
- If you place Company business with a relative or significant other, or with a business in which a relative or significant other is associated in any significant role.

### What should we do if we have a potential conflict?

Try not to fix the conflict on your own. Escalate the conflict to your manager and work together to address the conflict.

**“ We all have a responsibility to avoid situations where our personal interests interfere with the interests of the Company as a whole. ”**

### Example

#### Question:

I have been asked to serve as a member of the audit committee of a client? What do I need to do before I can accept the position?

#### Answer:

Before you accept the position, you will need to obtain written approval from the CEO.

## Protect our Company Secrets & Customer Information.

During your work at the Company, you likely will have access to information that is considered proprietary or confidential. Generally, proprietary or confidential information is any information that is private and should not be disclosed without proper authorization. Protecting our information and that of our clients is one of the most important obligations you have as an employee of the Company. Your obligations remain even if you leave the Company.

What are examples of Confidential Information?

- Any client provided information
- Client file information
- Names and lists of customers
- Financial information of the Company or our Customers

Our expectations are that you:

- Will use confidential information for Company business purposes only.
- Will protect it from theft, disclosure, or inappropriate use.
- Release it only to fellow employees and others outside the Company who have a need to know and who have signed necessary non-disclosure forms.
- Store proprietary information in a safe place and follow computer security procedures.
- Will exercise caution when discussing business or using portable communications devices in public places.
- Always consult the Chief Executive Officer first.

“ Protect Customer Information at all times. ”

### Example

**Question:**

Our client has a very similar situation to another. Can I talk about it to the new client?

**Answer:**

Generally, you are restricted in discussing our clients' file with another. In some occasions the discussion may continue if there is no exchange of client names or client information.

## Use Company's Assets for Company Business.

Protecting the Company's assets is a key fiduciary responsibility of every employee, agent, consultant and contractor.

All Company employees, agents, consultants and contractors are responsible for the proper use of Company assets, and must safeguard such assets against loss, damage, misuse or theft. Company equipment and assets are to be used for Company business purposes only and may not be removed from Company premises without prior authorization.

Our expectations are that:

- You will comply with the level of access control that has been implemented in the facility where you work on a permanent or temporary basis.
- You will be personally responsible for all Company funds over which you exercise control and only use Company funds for Company business purposes and take all reasonable steps to ensure that the Company receives good value for Company funds spent, and must maintain accurate and timely records of each and every expenditure.
- You will claim accurate and timely expense reports.

**“ Company assets are to be used for the Company's business not for yourself or your family. ”**

### Example

#### Question:

I need to send an email to my family regarding the details of an upcoming family meal. Can I use RFG's email system to do this from work?

#### Answer:

This situation is an example of acceptable use of RFG's email system. RFG policy indicates that reasonable personal use of RFG's information resources, including but not limited to email, is acceptable as long as it does not interfere with your or RFG's ability to conduct business; violate any laws of the countries to which or from which information is transmitted; involve sexually explicit materials, obscenity or pornography; or expose RFG to any form of embarrassment or liability.

 Never Bribe or Make Illegal Payment

## Never Bribe or Make Illegal Payments.

### Why is this important?

Bribery and Corruption damage our brand, reputation & values. Company personnel should never give anything of value, directly or indirectly, to government officials for the purpose of obtaining or retaining business, or securing an improper advantage either for the firm or one of our clients.

### Can I give a gift to a customer?

No. Gifts given by the Company to customers (including government customers or officials) are never appropriate given the type of firm that we are. If a client or supplier invites you to lunch or dinner, good preferred practices is to pay for your share.

We do not entertain clients, other than in exceptional pre-approved situations.

**“ Always act in a manner that builds a relationship based on trust and integrity. ”**

### Example

#### Question:

One of our agents is known to be engaged in paying bribes to obtain information. What should we do?

#### Answer:

The Anti-bribery laws prohibit any payments made either directly (by The Red Flag Group) or indirectly (by our agents). If you are aware or have suspicions that any The Red Flag Group business partner is engaged in any form of illegal activity, including paying bribes of any kind, you should report the concerns immediately to the Chief Executive Officer.

## Protect our Customer & Partner Relationships

If your job puts you in contact with any Company customers (or potential customers) and partners it is critical for you to remember that you represent the Company. Act in a manner that creates value for our customers & suppliers and helps to build a relationship based upon trust.

### Tips

Take special care to handle the confidential information of customers responsibly. Always handle such confidential information in accordance with our agreements with those customers.

The Company's suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to work with the Company, they must be confident that they will be treated lawfully and in an ethical manner.

### Tips

- Never attempt to coerce suppliers in any way.
- Protect the confidential information of a customer or suppliers.
- Never try and restrict a customer from only buying from us.

**“ Always act in a manner that builds a relationship based on trust and integrity. ”**

### Example

#### Question:

One of our customers has asked us to never act for another client.

#### Answer:

Be always check with the Chief Executive Officer about this situation. It may be illegal to refuse to act for certain customers and may damage customer goodwill.

# Fair and Accurate Accounting

The Company's responsibilities to its shareholders that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the law.

Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.

All company records and transactions MUST:

- be kept and presented in accordance with the laws of each applicable jurisdiction.
- fairly and accurately reflect the transactions or occurrences to which they relate.
- fairly and accurately reflect in reasonable detail the Company's assets, liabilities, revenues and expenses.
- not contain any false or intentionally misleading entries.
- not be intentionally misclassified as to accounts, departments or accounting periods or in any other manner. be supported by accurate documentation in reasonable detail and recorded in the proper account and in the proper accounting period.

**“ We will always give full, fair, accurate and timely disclosure of our accounting and financial systems as required by law. ”**

## Example

### Question:

In order to help process my expense claims, I occasionally list an expense under a different category, so it can be approved more easily and paid faster. Is this okay? It is still same amount of money afterall.

### Answer:

This is not acceptable. The Red Flag Group's accounts must accurately reflect the true nature of all expenses. Expense categories are an essential aspect of our accounting and financial systems and they should never be compromised, even for small amounts.

# Speak Up & Disciplinary Actions

Ethical business conduct is critical to our business. Part of your job and ethical responsibility is to help enforce this Code of Business Conduct and Ethics. If you suspect that a Company officer, director or employee has violated this Code of Business and Ethics or broken any law, you should follow the following procedures to report the violation.

## How do I report a violation?

In most cases, you should report the violation to the CEO.

Reprisal, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, the Code of Business Conduct and Ethics or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is strictly prohibited. Anyone who becomes aware of any such improper retaliatory conduct should immediately report such conduct to CEO.

### Find out more at:

Company's Policy and Procedures for Complaints Regarding Accounting, Internal Accounting Controls or Auditing Matters

### Contact the CEO at:

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