



# **CLS WORLD LIMITED**

## **Code of Business Ethics & Business Conduct**

### **CLS WORLD Code of Conduct**

The CLS WORLD code of conduct is a brief outline of the expected behaviors for all employees of the CLS WORLD. CLS WORLD is committed to conducting all business operations in full compliance of all applicable laws, regulations, and rules of all the countries in which we do business. CLS WORLD is committed to maintaining a workforce comprised of employees who observe the highest standards of honesty, integrity, reliability and honor at all levels of the organization.

#### **Employees will:**

- Not engage in any activity that might create a conflict of interest for any of the CLS WORLD companies or themselves personally.
- Follow all of CLS WORLD's confidentiality requirements by understanding and abiding by all requirements for protecting information and ensuring that all proprietary and/or confidential information is used and disclosed only as authorized or as applicable by law.
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- Protect all company, customer, and supplier assets and use them only for business needs; never for personal gain.
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- Act in accordance with all applicable laws, regulations, and rules.
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- Promptly report any illegal or unethical conduct to management or other appropriate authorities.
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- Every employee has the right and responsibility to ask questions, seek guidance, and report suspected violations of CLS WORLD's Code of Conduct. Retaliation against employees who come forward to raise concerns is expressly prohibited.



## **Overview:**

CLS WORLD will conduct its business fairly, impartially, in an ethical, legal, and appropriate manner, in accordance with the company's values and code of conduct, and in full compliance with all applicable laws and regulations. In the course of conducting company business, integrity must underlie all relationships, including those with customers, suppliers, the communities in which we do business and among co-workers. Employees must 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.

All employees must sign and abide by the CLS WORLD code of conduct, which requires that they understand the code, ask questions, seek guidance, report suspected violations, and express concerns regarding compliance with this policy and the related procedures.

## **Statement of Values:**

CLS WORLD is committed to the following company values, also known as the **Seven Keys to Excellence**:

**Excellence:** Excellence must become a life long habit – set your goals high and never lower your personal and professional's standards.

**Attitude:** Attitude is contagious – be a positive force in all the things you do and stay away from those who doubt!

**Knowledge:** Knowledge must be achieved through hard work. Stay humble and listen to those who have walked the path before you

**Discipline:** Discipline drives you toward success. Stay focused and maintain your course and speed toward your goals every single day!

**Perseverance:** Perseverance is the key to overcoming adversity. Success comes one small step at a time so never, ever quit!

**Adaptability:** Adaptability equals survivability. Stay flexible and apply your mind to deal with the unexpected challenges life throws at you.

**Courage:** Courage is required everyday of your life. Stand by your dreams and strive always to be prepared, for one day you will be tested!



## **Reporting Violations or Concerns:**

If you ever have a concern about ethical behavior, you should feel comfortable reporting the issue through your chain of command, to our President. Employees are encouraged to communicate any concerns regarding possible violations of company policies or laws. These concerns may include (but are not limited to) improper or unethical business practices, violations of federal or state laws, safety violations, and environmental concerns. Remember, it is better to err on the side of reporting than to let a possible violation go unreported. A knowing failure to report a violation is itself a violation of Company policy. It is Company policy not to retaliate against any employee, consultant, agent, or independent contractor who makes a report or inquiry in good faith.

## **Company Confidential Information:**

CLS WORLD has developed certain information, products, processes, procedures, customer lists, etc. in the course of conducting its business. This proprietary information is considered the property of CLS WORLD and is strictly confidential. You may at times have access to this information in the course of performing your job. Employees are not permitted to share or disclose any proprietary information to any third parties and should take all reasonable steps to prevent the dissemination of such information. Such proprietary and/or confidential information may not be removed from CLS WORLD 's premises unless explicitly permitted by the President, Vice President, a Department head, or the Owner. Because of the necessity to protect the integrity of confidential information, each CLS WORLD employee is asked to sign a confidentiality agreement as a condition of employment.

## **Conflict of Interest:**

We respect your right to engage in outside financial business activities as long as those activities are legal and do not interfere with your duties at CLS WORLD or involve the misuse of the Company's name, assets or resources. A conflict of interest may occur when an employee or a member of his/her family is involved in an activity or has a personal interest that could affect the employee's objectivity in a business decision. Examples may include outside employment with a customer, supplier, or competitor of any CLS WORLD company. An actual conflict of interest does not need to exist to be a violation of this policy. Any activity that gives the appearance of a conflict of interest must also be avoided. Any outside activities related to this policy that may give the appearance of a conflict of interest need to be reported before the employee or member of his/her family engages in the activity. If in doubt, approach CLS WORLD's President for guidance.



## **Disclosure and Accounting Standards:**

CLS WORLD is committed to providing reports and documents that are submitted to any regulatory body, or that is disclosed in a public communication, will be full, fair, accurate, timely, and understandable. All corporate records are subject to audits, and financial information must be maintained in accordance with all legal requirements and generally accepted accounting principles. All accounts and records will accurately reflect and describe all company transactions. No false or misleading entries will be made into accounting ledgers.

## **Electronic Communications:**

CLS WORLD provides employees with electronic resources, including Internet and electronic mail communications, based on business necessity. The primary purpose of these systems is to expedite necessary business communications and serve as a resource for CLS WORLD employees in the course of their employment. Any information included in Internet and e-mail communications is the property of CLS WORLD and is subject to monitoring for compliance with all company policies including but not limited to policies prohibiting harassment, discrimination, offensive conduct or inappropriate behavior. Use of CLS WORLD internet resources constitutes acceptance of this policy. At any time and without prior notice, CLS WORLD management may examine e-mail, internet history, personal file directories, and other information stored on CLS WORLD computers to ensure compliance with company policies.

Each employee is responsible for the content of all text, audio or images that he/she places or sends over the company's Internet and e-mail system. Employees are prohibited from using the Internet or electronic mail for any unethical purpose, including but not limited to pornography, violence, gambling, racism, harassment, piracy, cracking, extortion, blackmail, copyright infringement, unauthorized access to any computers on the Internet or email, or any illegal activity.

## **Employee Privacy:**

CLS WORLD operates under laws applying to the collection, use, and disclosure of both employee and customer information. In compliance with these laws, CLS WORLD only collects and retains that personal information which is required for effective business operations or that is required by law. Access to this information is restricted internally only to those with a legitimate need to know. Employees with access to personal and employment history record information are charged with the responsibility to ensure this information is not disclosed without the express permission of the employee or as required by law.



## **Equal Employment Opportunity and Discrimination:**

CLS WORLD strives to provide equal employment opportunity to all applicants and staff in accordance with sound employee relations practices and applicable laws. This Company hires lawfully authorized workers. Each applicant and employee is considered on individual merit without discrimination based on race, sex, age, religion, color, ancestry, disability, citizenship, national origin, veteran/military status, sexual orientation, or arrest and court record, except as provided by law. Any employee who feels that he/she is a victim of any type of discrimination should report the alleged act to the company president immediately who has the responsibility of promptly investigating reported incidents of discrimination. All investigations will be conducted in a fair and discreet manner to ensure confidentiality to the extent possible and to protect the individual's dignity. Retaliation in any form against an individual who has made a complaint of discrimination, has provided information related to such a complaint, is a witness to instances of discrimination, or has participated in an investigation of discrimination is absolutely prohibited. Any employee, supervisor or agent who is found to have violated this policy will be subject to appropriate sanctions, up to and including termination.

## **Export and Import Compliance:**

Jordan and the United States and many other countries have export/import control laws governing strategically necessary technologies and products. Violations of export/import controls can harm to their national security and foreign policy. Penalties for violations are severe and can include monetary penalties, imprisonment, and suspension of export/import and Government contracting privileges. Early coordination with company export/import experts is critical. The applicable regulatory regime depends on the type of goods, technology, or services being exported or imported and the intended destination. Some of the major U.S. export and import laws to which CLS WORLD is subject are:

International Traffic in Arms Regulations (ITAR). The ITAR, administered by the U.S. Department of State in furtherance of the Arms Export Control Act, controls exports and temporary imports of a military nature. Such products and services are identified on the U.S. Munitions List contained in the ITAR. The ITAR also contains the requirements for export licenses and other approvals for permanent export, temporary export, or temporary import transactions.

Export Administration Regulations (EAR). The EAR, administered by the U.S. Department of Commerce, controls exports of commercial and "dual-use" commodities and technology. Dual-use items are products, software, and technical data developed for civil applications, but which can be used militarily without further modification. Items requiring export licenses appear on the Commerce Control List (CCL) contained in the EAR. Items on the CCL are subject to U.S. export control whether they are exported from the United States or are reexported from one non-U.S. country to another.



Federal Firearms Regulations. These regulations govern the permanent import of arms, ammunition, and implements of war into the United States. These regulations are administered by the U.S. Department of Justice through the Bureau of Alcohol, Tobacco, Firearms and Explosives. The products controlled for permanent import are identified in the U.S. Munitions Import List contained in these regulations.

Foreign Corrupt Practices Act: The anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA) make it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to a foreign official for the purpose of obtaining or retaining business for or with, or directing business to, any person. Since 1998, they also apply to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. A violation of the FCPA may subject CLS WORLD and our employees to criminal and/or civil liability, including imprisonment and substantial penalties and fines. A violation of the FCPA could also subject the company to other penalties such as suspension or debarment from government contracting and ineligibility for export licenses. As a result, each employee has the responsibility to comply with the FCPA, including the duty to seek interpretation or assistance when in doubt.

## **Harassment:**

Consistent with our policy of equal employment opportunity, CLS WORLD strives to create and maintain a work environment in which people are treated with dignity, decency and respect. CLS WORLD's work environment should be characterized by mutual trust and the absence of intimidation, oppression and exploitation. For that reason, we will not tolerate unlawful discrimination or harassment of any kind, including through the use of Company equipment, including computers, e-mail, and telephones. Through enforcement of this policy and by education of employees, CLS WORLD will seek to prevent, correct and discipline behavior that violates this Policy. All employees, regardless of their position, are covered by and are expected to comply with this policy, and to take appropriate measures to ensure that prohibited conduct does not occur. Appropriate disciplinary action up to and including termination of employment will be taken against any employee who violates this policy. Harassment, including sexual harassment, is prohibited by federal and state laws. CLS WORLD prohibits harassment of any kind, and the Company will swiftly investigate and take appropriate action to address any violations of this policy.

The definition of harassment is: verbal or physical conduct designed to threaten, intimidate or coerce. Also, verbal taunting (including racial and ethnic slurs) which, in the employee's opinion, impairs his or her ability to perform his or her job.

Examples of harassment might include:

- Verbal: Comments which are not flattering regarding a person's nationality, origin, race, color, religion, gender, sexual orientation, age, body disability, or appearance. Epithets, slurs, negative stereotyping.



- Non-Verbal: Distribution, display, or discussion of any written or graphic material that ridicules, degrades, insults, belittles, or shows hostility or aversion toward an individual or group because of national origin, race, color, religion, age, gender, sexual orientation, pregnancy, appearance, disability, marital or other protected status.

## **Health and Safety:**

CLS WORLD is committed to providing a workplace free of hazards. It is the responsibility of all CLS WORLD employees to report any violations of CLS WORLD's safe work practices or applicable laws pertaining to workplace safety.

CLS WORLD shall develop an Emergency Action Plan (EAP) is designed to explain established procedures to facilitate the mitigation of actual workplace emergencies. This EAP is not all-inclusive, but is intended to provide personnel with a summary of required actions during an emergency and thus provide for the safety and well being of all employees and visitors as well as minimize and control property damage. The plan is applicable to all CLS WORLD employees, and contract personnel regardless of work location. The plan outlines the basic reactionary and notification procedures necessary in response to workplace emergencies. Response may require the notification of emergency services such as medical, fire, security agencies, or other associated support services as rapidly and orderly as possible.

## **Supplier Relationships and Procurement:**

Procurement decisions are based on factors such as quality, service, price, reliability, delivery, and best value. Kickbacks from suppliers are expressly prohibited. CLS WORLD's suppliers should be made aware of the appropriate laws and regulations regarding government and international contracts. All company employee's contingent labor, including contract labor; and consultants, who are involved in U.S. government procurements must understand and comply with the requirements of the Procurement Integrity Act and its implementing regulations.

## **The Procurement Integrity Act:**

- Imposes restrictions on disclosure of U.S. Government source selection information and contractor bid or proposal information.
- Generally, prohibits obtaining source selection or contractor bid or proposal information.
- Imposes disclosure requirements on certain agency officials when contacted by bidders regarding employment.



- Prohibits certain former agency officials from accepting compensation from a contractor for a one-year period.

## **U.S. Government Audits and Investigations:**

By the terms of our U.S. Government subcontracts, the company agrees that the U.S. Government may examine selected financial records and cost data. Cooperation will be extended to designated U.S. Government representatives to facilitate timely and efficient performance of examinations required by the contract. When employees are requested to furnish financial data to U.S. Government auditors, responses are to be approved and provided by Finance management. Release of other records and data requested by the U.S. Government shall be approved by appropriate functional or program management or by the Legal Counsel

## **ETHICAL DECISION MAKING:**

It isn't always easy to determine the ethical thing to do in all business situations. While CLS WORLD believes that our employees will be guided to the right decisions by their own personal values, discretion, and good judgment, there are times a situation may not be clear-cut. As employees and representatives of CLS WORLD, we must always consider how

our behaviors and actions affect the integrity and credibility of the companies as a whole. If you encounter a situation and you are unclear on the appropriate course of action, you should always feel comfortable discussing the issue with your supervisor or report it to the appropriate person within the company. When faced with an ethical dilemma there are four basic question types you should ask to assist in determining the correct course of action:

1. **DEFINE THE PROBLEM:** What feels wrong about this situation, behavior, or action? What is the issue about which you are unsure?
2. **SOLUTION DEVELOPMENT:** What are the solutions and resources available to solve the problem? Who should be involved in the situation?
3. **SOLUTION SELECTION:** What are the potential consequences? Which solution has the maximum benefit to all parties involved and causes the least harm?
4. **IMPLEMENTATION:** How do I put the solution into action? Who should be consulted and informed of the solution?

Some other basic questions to ask yourself when making ethical decisions include:

- Is this situation/course of action against the law or company standards?



- How will our customers, fellow employees, or community be affected?
- Am I being honest and impartial?
- Would I be comfortable describing my decision at the daily management meeting?
- How would it look if it made headlines?

Remember, CLS WORLD has an open-door policy and you are encouraged to always contact your supervisor or the company president, to report conflicts of interest and other ethical concerns.

### **SUMMARY:**

Remember, you should never hesitate to clarify whether any conduct may violate CLS WORLD's Code of Ethics and Business Conduct or to voice your concerns about possible violations. Employees should endeavor to deal fairly with customers, suppliers, competitors, and fellow employees. We will not take unfair advantage of anyone through manipulation, concealment, coercion, threats, abuse of proprietary information, misrepresentation, or any other unfair practice.

Use should immediately contact the Company President to report:

- Questionable accounting or auditing matters
- Potentially illegal practices and/or dangerous situations
- Unethical acts
- Securities law violations
- Fraud against shareholders, clients, vendors or employees of the company