

Forest River Inc. CORPORATE POLICY Prohibited Business Practices	<u>ORIGINAL ISSUE DATE</u>	<u>PAGE</u>	<u>POLICY NUMBER</u>
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	<u>RESPONSIBLE ORGANIZATION</u> Berkshire-Hathaway		
	<u>APPROVED BY</u> Marc Hamburg		
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PROHIBITED BUSINESS PRACTICES POLICY

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Preamble and Instructions:

The following policy (or a variation of the following policy, as applicable) should be adopted by each Berkshire Hathaway (“Berkshire”) subsidiary to address compliance risks arising from such subsidiary’s operations, and should be placed in each subsidiary’s policy and procedure manual or otherwise appropriately incorporated into the subsidiary’s code of conduct or written policies and procedures. Each Berkshire subsidiary should distribute the policy to its Senior Management and other individuals that manage the risk areas or are likely to be faced with the compliance risks discussed in this document.

This policy is not intended to supplant more restrictive, detailed or specific policies which may already be in place at, or may hereafter be adopted by, a Berkshire Hathaway subsidiary. Except to the extent modified to comply with foreign laws as discussed below in the instructions to Sections III and IV of this policy or as otherwise permitted by Section III of this policy, this policy sets forth the minimum standard with which all Berkshire Hathaway subsidiaries must comply. Each subsidiary should regularly assess its individual operations and compliance risks and document a risk assessment that captures the compliance risk areas discussed in this document and that are applicable to the subsidiary. Subsidiaries should update that risk assessment as the risk profile of the subsidiary changes and adopt additional policies and procedures as appropriate.

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It is the policy of Berkshire Hathaway Inc. and its subsidiaries to strictly comply with all laws and regulations that apply to any of their activities and operations, or that may give rise to the risk of liability for Berkshire, its subsidiaries or persons employed by any of them.

This Prohibited Business Practices Policy (“Policy”) applies to all officers, directors and employees of Berkshire and each of its subsidiaries. This Policy also applies to any agent, consultant, representative, sales agent, reseller, distributor, joint venture partner, customs/import broker, freight forwarder, contractor, or other parties authorized to conduct business on behalf of Berkshire or any of its subsidiaries (“Intermediaries”). Using a risk based approach each subsidiary should develop a procedure to communicate the key guidelines contained in this Policy to Intermediaries. Each person shall comply with this Policy, strictly abide by all applicable laws and regulations, and exercise great care not to take or authorize any actions that may create even the appearance of illegal conduct or other impropriety. Persons who violate this Policy shall be subject to appropriate disciplinary action up to, and including termination. **Berkshire and its subsidiaries will not undertake, authorize or tolerate any business practice that does not comply with this Policy.**

I. COMPLIANCE WITH BOTH U.S. AND FOREIGN LAW IS REQUIRED

The purpose of this Policy is to set forth Berkshire's position against bribery and corruption and to describe the minimum procedures that must be followed to ensure compliance with this Policy and anti-bribery and anti-corruption laws. This Policy (1) identifies certain specific laws and regulations that may apply to a Berkshire subsidiary's operations, and (2) sets forth the minimum standards that must be followed to ensure compliance with those laws and regulations. The applicable laws and regulations include not only federal, state and local laws and regulations of the U.S., but also laws and regulations of any foreign countries in which a Berkshire subsidiary does business, such as the United Kingdom's Bribery Act of 2010 and the Brazil Clean Company Act of 2014. Because the Foreign Corrupt Practices Act of 1977 ("FCPA") is the anti-corruption law which most broadly affects international business, this Policy uses that statute as a framework for setting forth Berkshire's Policy. However, the Policy uses the term "government official" in most places where the FCPA uses the term "foreign official," to make it clear that Berkshire's Policy applies to interactions with all government officials worldwide, and that adherence to the principles and procedures set forth within this Policy will ensure compliance with all nations' anti-bribery and anti-corruption laws.

This Policy is not exhaustive, and there may be additional laws and regulations that apply to a Berkshire subsidiary's operations that are not discussed here. Even if a particular law or regulation is not discussed here, it is the policy of each Berkshire subsidiary to ensure compliance with that law or regulation.

Any Berkshire subsidiary employee, who has a question about whether particular conduct could be illegal or involve any unethical or improper act or violate this Policy, must promptly report his or her concerns. Each Berkshire subsidiary, or in the case of a group of Berkshire companies, the Berkshire subsidiary that is the "parent" of such group, shall designate a Compliance Officer to receive and investigate such reports and to implement this Policy. Employees may also report their concerns to their supervisors or managers. If permitted by local law, anonymous reports can be made via the Berkshire Ethics and Compliance Hotline (800-261-8651) or Berkshire's web reporting site, which is located at www.brk-hotline.com.

If in doubt as to the lawfulness or propriety of particular conduct by a Berkshire subsidiary, a report of the matter should be made so that the issue can be investigated. The Berkshire companies prohibit retaliation of any kind for making such a report in good faith, even if it turns out that the conduct being reported is not illegal or improper.

II. PROHIBITED OFFERS OR PAYMENTS

Each Berkshire subsidiary must strictly comply with the U.S. law known as the FCPA and all other applicable anti-bribery and anti-corruption laws. The FCPA prohibits bribes, kickbacks and favors to government officials to obtain an improper advantage, such as among other examples, the awarding of business or a government contract, obtaining a tax benefit or reduction of VAT or corporate income taxes, or obtaining a permit or license.

Prohibited Purposes. To ensure compliance with the FCPA, no Berkshire subsidiary or its agents or Intermediaries may corruptly provide, promise or offer to provide anything of value to a government official for any of the following purposes:

- Influencing the official;
- Securing any improper advantage;
- Affecting any official decision; or
- Helping the Berkshire subsidiary obtain or retain business or direct business to any other person or company.

Similarly, no Berkshire subsidiary, its employees or Intermediaries may *authorize* a third party to corruptly offer or promise to provide something of value to a government official for any of the purposes listed above.

“Corrupt” Payments. The FCPA prohibits promising, providing, offering to provide, or authorizing the provision of things of value to a government official if done “corruptly.” This means that the payer has an intent or desire to improperly influence the recipient and to get something in return, *i.e.*, a *quid pro quo*. The word “corruptly” is used in the FCPA statute to make clear that the offer, payment, promise or gift must be intended to induce the official to misuse his or her official position in order to assist the giver in obtaining a business advantage.

Government Officials. The prohibition of improper payments found in the FCPA applies to more than just individuals actively serving in governments. Under the FCPA, a government official is:

- Any officer or employee of a government or any department, agency, or instrumentality of a government;
- Elected officials;
- Any officer or employees of a public international organization such as the United Nations or World Bank;
- Any individual acting in an official capacity for or on behalf of a government agency, department, instrumentality or of a public international organization;
- Any officer or employee of a company owned or controlled by a government, including, for example, a state owned oil company or state owned hospital;
- Political parties outside of the U.S. and their employees;
- Candidates for political office outside of the U.S.; and
- Any member of a royal family who may lack formal authority but who may otherwise be influential, including by owning or managing state-owned or controlled companies.

It is important to note that employees of state owned or controlled entities (whether partially or completely state owned or controlled) are considered government officials under the FCPA regardless of the rank, nationality or their classification under local law. Some individuals, who may not be considered government officials in their own country, are considered government officials under the FCPA. In addition, a company may be under government control even if it is publicly traded, and even if some of its stock is not owned by the government. In some countries, government control of publicly traded companies is common. This Policy prohibits promising, providing or offering to provide anything of value to employees or agents of state owned or controlled companies for any of the prohibited purposes described above, even if those companies are engaged in purely commercial businesses.

For purposes of this Policy, close family members of government officials (*i.e.*, brother, sister, mother, father, husband, wife or child) are treated as government officials to whom a Berkshire subsidiary, its officers, employees or Intermediaries shall not corruptly promise, offer, authorize or provide anything of value. Similarly, for purposes of this Policy, the Policy's prohibitions also apply with regard to former government officials in cases where the former official retains some sort of quasi-official status.

Indirect and Direct Payments. The prohibition against improper payments or gifts under the FCPA applies not only to direct payments or offers of payment, but also to indirect offers or payments made through any Intermediaries or agents. Care must be taken to ensure that third party representatives and Intermediaries of a Berkshire subsidiary, such as sales representatives, consultants, advisors, lobbyists, resellers, distributors, joint venture partners, customs/import brokers, freight forwarders or other contractors do not authorize, promise, offer or provide anything of value to a government official for any of the prohibited purposes described above.

Anything of Value. The term "anything of value" is construed very broadly under the FCPA and includes far more than just monetary gifts. Each of the following, among other things, could constitute a "thing of value":

- Monetary gifts in any form (whether cash, check, wire, etc.);
- Other types of gifts;
- Meals (including drinks);
- Entertainment, such as golf outings or sporting events;
- Travel, whether domestic or foreign;
- Flights on private or Berkshire subsidiary provided aircraft;
- Excessive discounts on products or services;
- Excessive commissions;
- Sales at less than market value;
- Purchases at above market rates;
- Art;
- Vehicles;
- Personal gifts;
- Contractual rights;
- Donations to charity; and
- Scholarships for family members;

The term also applies to intangible benefits such as contributions to an official's favorite charity, offers of employment for an official's friends or family, assisting an official's family member or friend in gaining admittance to a school, or other kinds of help or assistance to officials or their friends and family. This Policy applies equally to offers of payment and things of value to relatives and family members of government officials, as to the government officials themselves.

Nominal Gifts and Entertainment. There are circumstances under which providing inexpensive items to a government official may be permissible under the FCPA. For instance, providing gifts of nominal value such as pens or mugs with the Berkshire subsidiary logo, without any intent to influence the official, is not unlawful. Before providing even nominal gifts or

entertainment to a government official, Berkshire subsidiary employees must confirm that doing so is permitted by local law. Some countries prohibit providing anything of value to government officials, even gifts or entertainment of nominal value; in those countries, this Policy prohibits providing gifts or entertainment of any kind to government officials. Where permitted by local law, gifts or entertainment to government officials may be made under this Policy only when they are (1) made to promote general goodwill and not as a *quid pro quo* for any official action, (2) of very modest value, (3) not in the form of cash, (4) customary in type and value in the country where made, (5) given openly and not secretly, (6) not intended to improperly influence the government official, and (7) accurately reflected in the applicable Berkshire subsidiary's books and records.

Willful Blindness Is Not A Defense. The FCPA can apply to companies or individuals that are willfully blind to improper payments, gifts, or promises or offers of payments or gifts of something of value. Employees who suspect or see indications that corrupt payments or offers of payment may be being made on a Berkshire subsidiary's behalf must not "look the other way" or ignore the indications or "red flags." For instance, if an employee becomes aware that a sales agent may have improperly provided money to a government official, he or she must immediately report that concern. Similarly, each employee should be alert to and promptly report concerns that other employees may be involved in such payments.

Bona Fide and Reasonable Business Expenses. The FCPA permits paying bona fide and reasonable travel and lodging expenses for government officials if the expenses relate directly to (1) the promotion, demonstration or explanation of products or services, or (2) the execution or performance of a contract. To ensure compliance with the FCPA, this Policy permits paying such expenses only upon the advance written approval of the applicable Berkshire subsidiary's Compliance Officer and only where to do so would be legal under local law and where the official's government or government entity is aware of, and approves of in writing, the expenditures contemplated. Such expenses must only be approved by the Compliance Officer where they are (1) directly related to the promotion, demonstration or explanation of the Berkshire subsidiary's products or services or the execution or performance of a contract, (2) not intended to improperly influence the official, and (3) are in compliance with the requirements of the Prohibited Business Practices Policy. Such expenses must be **reasonable (not lavish) and** limited to travel and accommodation expenses that were incurred for an official's direct travel to and from the location of the Berkshire subsidiary event or location. The expenses paid must not include expenses for any "side trip" taken to other cities or countries. Lodging expenses should include only reasonable accommodation costs, including reasonable expenditures for meals, actually incurred in or incidental to lodging in business-class hotels, and only during the period of the particular meeting, facility visit, seminar, or event, or en route to such activities. Where such expenses are approved for payment, any payment should be made to the third party provider (for instance, an airline or hotel) rather than to the government official whenever practicable, and any such payments must be supported by receipts and be properly documented and recorded in the applicable Berkshire subsidiary's books and records. Under no circumstances shall per diem payments or allowances be provided to a government official, nor shall a Berkshire subsidiary pay for any portion of expenses incurred by any spouse or other family member of a government official.

Facilitating Payments. The FCPA permits "facilitating or expediting payments" made in furtherance of routine governmental action. Examples of "routine governmental action" include

processing visas or Customs forms. Routine governmental action does not include discretionary acts such as a decision to award new business or to continue business with a particular party. Thus, paying a government official a small amount to have the power turned on at a factory might be a facilitating payment under the FCPA, but paying an inspector to ignore the fact that the company does not have a valid permit to operate the factory would not be. Some countries have more restrictive rules regarding facilitating payments; for example, facilitation payments are not permissible in the United Kingdom and in Canada. In fact, the United States is in the minority of countries that tolerate facilitating payments. Most countries have embraced the regulations of the Organization for Economic Co-operation and Development (OECD), which describes facilitating payments as “corrosive” and recommend that member countries “encourage companies to prohibit or discourage the use of facilitation payments.” Therefore, before providing any facilitating or expediting payments, Berkshire subsidiary employees must confirm that doing so is permitted by local law. Where permitted by local law, this Policy permits facilitating or expediting payments only when nominal in value and designed merely to expedite routine governmental action that the Berkshire subsidiary is entitled to receive. Any doubts as to whether a facilitating or expediting payment may be made should be raised promptly, and where possible in advance, with the applicable Berkshire subsidiary’s Compliance Officer or other appointed representative such as the subsidiary’s Legal Department. If a facilitating payment is made, it must be accurately reflected in the applicable subsidiary’s books and records.

Political Contributions: Any political contribution made must be consistent with local law and in compliance with the FCPA, and cannot be made to obtain or retain business, direct business to another person or entity, or to obtain an improper advantage.

The FCPA’s Accounting and Internal Control Provisions. The FCPA imposes strict accounting and recordkeeping requirements on Berkshire and its majority owned subsidiaries. These accounting provisions have two primary components, the books and records provision and the internal controls provision.

Books and Records

The accounting provisions require Berkshire and its subsidiaries to maintain books and records which accurately and in reasonable detail fairly reflect transactions and the disposition of assets. This requirement extends not only to the general ledgers but also to all documents that describe business transactions and dispositions of assets such as invoices, receipts, expense reports, purchase orders and shipping documents. False, misleading or incomplete entries in Berkshire subsidiary records are prohibited. This Policy also prohibits the maintenance of undisclosed or unrecorded funds or accounts. Because the books and records provision does not include a materiality requirement, any false record, no matter what the amount, can give rise to an FCPA violation. Therefore, all personnel must take responsibility for compliance with the books and records requirements of the FCPA. No employee should assume that accurate books and records is the responsibility of just those in finance and accounting.

Internal Controls

The internal controls provision of the FCPA requires Berkshire and its subsidiaries to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that: (1) transactions are executed in accordance with management’s general or specific

authorization; (2) transactions are recorded as necessary to: (a) permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (b) maintain accountability of assets; (3) access to assets is permitted only in accordance with management's general or specific authorization; and (4) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. It is the policy of each Berkshire subsidiary that all transactions be recorded in a timely, consistent and accurate manner in terms of amount, accounting period, purpose and accounting classification. Furthermore, each Berkshire subsidiary must abide by the following rules:

- Each transaction or disposition of assets by a Berkshire subsidiary must have proper authorization. Receipts must be obtained and kept for any travel, gifts or entertainment provided to a government official. A request for reimbursement for such expenses must be accompanied by supporting documentation including: (a) a description of the expenditure; (b) its purpose; (c) identification of the recipient of the funds; (d) the amount of money spent; and (e) the manner of payment. These records should be periodically monitored for compliance with this Policy.
- No secret or unrecorded fund or asset of a Berkshire subsidiary shall be created or maintained, and no accounting balances shall be created or maintained that do not have documentary support, are fictitious in whole or in part, or have no reasonable basis in fact.
- No checks of a Berkshire subsidiary may be written to "cash," to "bearer," or to third-party designees of a party entitled to payment. Other than documented petty cash transactions, no cash transactions may be made, unless such transaction is evidenced by a receipt bearing the signature of the recipient and the recipient is a party with whom the relevant Berkshire subsidiary has a written contract.
- All petty cash accounts must be maintained with strict controls to ensure that no cash is dispensed without the proper approvals. Approval must be subject to the recipient's demonstration that the funds are to be expended only for a proper purpose. The use of cash should be limited to the extent possible, and all uses of cash must be appropriately documented with receipts from the Berkshire subsidiary personnel receiving and dispensing the cash. Documentation supporting petty cash transaction should include: (a) the business purpose for the use of the cash as well as the date; (b) the amount paid; (c) the name of the person dispensing the cash; and (e) the name of the person receiving such cash from the Berkshire subsidiary account as well as the name of the ultimate recipient of the cash, if different.
- Payments to Intermediaries should be made only in the country where the Intermediary provides the services or in the country, if different, in which the Intermediary has its headquarters. The practice of transferring funds to accounts in countries other than the location of the services or the Intermediary's headquarters is not permissible unless the Intermediary provides a valid business purpose and proper supporting documentation and the transactions are authorized by the designated Berkshire subsidiary's Compliance Officer.

- Access to systems of accounting or financial records shall not be given to individuals without proper authorization. Destruction or removal of a Berkshire subsidiary's records may be undertaken only in compliance with such Berkshire subsidiary's internal policy and the policy of Berkshire.

Any individual who has reason to believe that a violation of the foregoing rules may have occurred at any Berkshire subsidiary (including that a payment to a government official was mischaracterized in a Berkshire subsidiary's books and records) must promptly report that concern to his or her supervisor or Compliance Officer, or through the Berkshire Ethics & Compliance Hotline. Any inquiry from the internal or independent auditors of a Berkshire subsidiary must be responded to fully, accurately and promptly.

When requested, every employee is required to cooperate with any effort by Berkshire or outside counsel hired by Berkshire to investigate whether a violation of any compliance policy of Berkshire or any Berkshire subsidiary has occurred. Such cooperation includes providing information that is requested and participating in interviews, investigations and audits when requested.

Penalties

A violation of the FCPA can result in serious consequence for a Berkshire subsidiary and for the individuals involved. Criminal penalties for individuals include fines up to \$250,000 per violation and imprisonment of up to five years for Anti-Bribery violations and fines up to \$5,000,000 per violation and imprisonment of up to twenty years for violations of the accounting provisions. Individual officers, directors and employees may be prosecuted even if the company for which they work is not. Fines assessed against individuals may not be reimbursed by Berkshire or any Berkshire subsidiary.

The FCPA criminal provisions establish that companies may be fined up to \$2,000,000 for an Anti-Bribery violation and up to \$25,000,000 for each violation of the accounting provisions. Under alternative sentencing provisions, these fines can be even higher. The FCPA also allows a civil action for a fine of up to \$10,000 against any company or person that violates the FCPA, although that sum also can increase substantially depending upon the circumstances.

All Improper Payments Prohibited. While the FCPA applies only to bribes and kickbacks paid to government officials, improper payments to other persons may violate other U.S. laws or the local law of the country in which such payments are made. This Policy expressly prohibits the offering or payment of bribes or kickbacks to any person under any circumstances in order to influence their actions or gain some improper business advantage, whether the recipient is domestic or foreign and whether or not the recipient is a government official. For example, Berkshire subsidiary employees must not offer or pay anything of value to customers or prospective customers or their employees to induce them to award business to a Berkshire subsidiary, to influence their actions or to obtain any other improper advantage. Berkshire subsidiary and subsidiary employees and Intermediaries are prohibited from directly or indirectly engaging in commercial bribery. They must also not receive such payments from any person or

company in return for providing an improper advantage such as awarding business to such person or company.

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Instructions to Sections III and IV:

This policy is primarily focused on U.S. laws and regulations. Because conflicts may exist between U.S. laws and the laws of other countries in which a subsidiary operates, each Berkshire subsidiary organized outside of the U.S. or with operations outside of the U.S. should undertake an analysis prior to adopting Sections III and IV of this policy to confirm that no aspect of those Sections violates any non-U.S. laws applicable to it. If a subsidiary determines that implementation of the policies in Sections III and IV would violate local law, the subsidiary must consult with the Berkshire Chief Financial Officer to receive additional guidance on potential modifications of the policies below.

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III. PROHIBITED TRANSACTIONS WITH CERTAIN COUNTRIES AND PERSONS

Each Berkshire subsidiary and its employees must strictly comply with all applicable economic and trade sanctions and embargo programs under U.S. law, United Nations resolutions and foreign laws and regulations. Compliance requires careful monitoring of, and sometimes prohibitions on, transactions involving target countries and regimes and target individuals, entities, vessels, and aircraft (for example, terrorists, proliferators of weapons of mass destruction and narcotics traffickers). In most cases, violations can result in criminal penalties of up to 20 years in jail, a \$1 million fine, or both, and civil penalties in the amount of the greater of \$289,238 or twice the value of the transaction involved, per violation.

The trade restrictions described below apply to “U.S. persons,” which include all companies organized in the U.S. and their foreign branches, all companies and persons located in the United States, and all U.S. citizens and permanent resident aliens, wherever located. For purposes of the U.S. embargo of Cuba and the sanctions applicable to Iran, described below, foreign entities owned or controlled by U.S. persons are also covered.

The policies set forth in this Section III must be adopted by all Berkshire subsidiaries that are organized in the U.S. or that have U.S. operations. Any Berkshire subsidiary that is organized outside of the U.S. and does not have U.S. operations should carefully evaluate its legal obligations with respect to these trade restrictions, taking into account such factors as its ownership, the citizenship of its employees and the nature and location of its operations, and shall adopt all portions of this Policy that are applicable to its operations, or are otherwise prudent, to the extent consistent with local law. Any potential conflict between local law and the trade restrictions described below should be addressed by the Compliance Officer of the affected Berkshire subsidiary in consultation with legal counsel and the Chief Financial Officer of Berkshire or other person designated by the Chief Financial Officer of Berkshire.

Transactions with Cuba, Iran, North Korea, Syria, and the Crimea Region of Ukraine.

The U.S. has instituted comprehensive embargoes against the following countries/geographical regions:

- Cuba;
- Iran;

- North Korea;
- Syria; and
- The Crimea Region of Ukraine

These embargo programs prohibit, with certain exceptions, U.S. persons from engaging in trade, commercial, or financial transactions involving the above countries/regions. Some examples of dealings that may be restricted include:

- Imports into the U.S., and, in some cases, into other countries, of goods, technology, software, or services from, or originating in, the embargoed country;
- Exports from the U.S. or, in some cases, from foreign countries, of goods, technology, software, or services, either directly or through intermediaries;
- Investments in the embargoed country;
- Brokering the sale of goods, technology or services to or from the embargoed country, even if the transaction is done entirely outside of the U.S.;
- Providing insurance or reinsurance to businesses or property of the embargoed country or its nationals, or for imports from, or exports to, the embargoed country or its nationals; and
- Other transactions in which a financial institution or other person acting on behalf of the embargoed country has any interest.

To ensure compliance with the foregoing laws, no Berkshire subsidiary to which this Section III applies may engage in any transactions or conduct of the type described above that is known to, directly or indirectly, involve Cuba, Iran, North Korea, Syria, or the Crimea Region of Ukraine, without the express prior authorization of the applicable Berkshire subsidiary's Compliance Officer.

Notwithstanding the foregoing, under certain conditions, a non-U.S. based subsidiary may enter into a transaction involving Iran. In January 2016, the U.S. entered into a nuclear disarmament pact with Iran. Under this pact, Iran agreed to a number of measures designed to limit their ability to develop nuclear weapons in exchange for the lifting of certain economic sanctions. In connection with this pact, the U.S. lifted its sanctions that were applicable to non-U.S. persons. Sanctions remain in place for all U.S. persons, but the U.S. Office of Foreign Assets Control ("OFAC") of the Department of the Treasury issued General License H, which generally permits foreign subsidiaries of U.S. companies to engage in transactions with Iran.

General License H imposes very strict conditions. No U.S. citizens (including local employees) can be involved in the Iranian related business of the non-U.S. subsidiary. The non-U.S. subsidiary is also prohibited from obtaining any transactional support from a U.S. affiliate in connection with such Iranian business beyond passive access to global IT systems. General License H also generally prohibits exportation, re-exportation, sale or supply from the U.S. of U.S. goods or services to Iran.

Prior to doing any business involving Iran under General License H, a non-U.S. subsidiary must adopt detailed written operating policies and procedures regarding how business will be conducted in strict compliance with General License H ("General License H Compliance Policy") and submit such policies and procedures for the prior approval of the Chief Financial Officer of

Berkshire or other person designated by the Chief Financial Officer. Also, with respect to such transactions, please see page 12 “Disclosure of Iran-Related Activities” for additional reporting responsibilities with regard to transactions with Iran.

Russian Sectoral Sanctions. Executive Order 13662 authorizes sectoral sanctions, pursuant to which OFAC has designated entities determined to be operating in three designated sectors of the Russian economy (defense, energy, and financial services) for inclusion on the Sectoral Sanctions Identification List (“SSI List”). The prohibitions are set forth in four OFAC “Directives.” Directives 1 (banking), 2 (energy), and 3 (defense) prohibit U.S. persons from dealing in “new debt” of the SSI entities (also in “new equity” for the banks under Directive 1). Directive 4 (energy) prohibits U.S. persons from providing goods, services, or technology in support of oil exploration/production projects of three types: deep water, Arctic offshore, or shale extraction. Prior to doing any business involving these Russian sectors, a non-U.S. subsidiary must adopt detailed written operating policies and procedures regarding how business will be conducted in strict compliance with these regulations and submit such policies and procedures for the prior approval of the Chief Financial Officer of Berkshire or other person designated by the Chief Financial Officer. In addition, effective November 28, 2017, sectoral sanctions on Russia will be expanded to cover deep water, Arctic offshore, and shale projects worldwide in which a Russian sanctioned person holds a 33% or greater ownership interest (rather than the 50% typically applicable).

Transactions with Certain Blocked Individuals, Entities and Groups. The U.S. has also instituted economic and trade sanctions programs prohibiting unlicensed transactions, of almost any nature, with designated individuals, entities, vessels, and aircraft. The U.S. Government identifies such individuals, entities, vessels, and aircraft by putting their names on various sanctions lists. The largest and most restrictive of these lists is the list of “Specially Designated Nationals and Blocked Persons” (the “SDN List”) maintained by OFAC.

The SDN List includes entities that have engaged in conduct that is inimical to U.S. national security and foreign policy interests, such as “Transnational Criminal Organizations,” “Narcotics Traffickers,” “Terrorist Organizations” and “Proliferators of Weapons of Mass Destruction.” Others on the list include persons and entities from the embargoed countries, as well as others from certain specified countries or regions, including, but not limited to, the Balkans, Belarus, Myanmar (Burma), Central African Republic, Cote d’Ivoire (Ivory Coast), the Democratic Republic of the Congo, Iraq, Lebanon, Libya, Russia, Somalia, Sudan, Ukraine, Yemen and Zimbabwe.

The SDN List is updated frequently (sometimes, as much as several times a week) and available on the internet at:

<http://www.treas.gov/offices/enforcement/ofac/sdn/index.shtml>¹

In addition to prohibiting transactions with SDNs, U.S. persons who come into possession or control of any property in which an SDN has any interest, must place such property in a blocked account and report it to OFAC within 10 business days. Blocking requirements also apply to all

¹ The OFAC website also offers a search engine for the SDN List at <http://sdnsearch.ofac.treas.gov/>.

Cuban individuals and entities, the Governments of Cuba, Iran, and Syria, certain North Korean government agencies, as well as all Iranian financial institutions.

No Berkshire subsidiary or employee to which this Section III applies may engage in any transactions, or conduct any activities with, any person, entity, vessel, or aircraft on the SDN List (or who is otherwise blocked), whether directly, or indirectly, and any prospective dealings with persons on, or suspected to be on, the SDN List must be immediately reported to the applicable Berkshire subsidiary's Compliance Officer. Before entering into any transaction, each such Berkshire subsidiary should conduct applicable screening of parties (including vendors and customers) thereto against the SDN and other related lists, including the Sectoral Sanctions Identification List applicable to certain Russian entities, to identify any problematic interests therein. All lists can be found on the Consolidated Screening List available at www.export.gov. In lieu of manual screening, there are a variety of software vendors who can do the screening automatically.

Screening needs to be performed on the owners of entities in which transactions are conducted, if such information is or should be known after reasonable inquiry. OFAC considers any entity that is owned 50% or more by a combination of SDNs, other blocked persons, or certain other listed persons to be blocked/sanctioned.

Each subsidiary should develop a risk-based procedure to screen transactions and ensure compliance with the above. Subsidiaries should monitor compliance with this section.

Facilitation. No Berkshire subsidiary or employee will facilitate any transaction with any embargoed country or SDN, without an appropriate license having been issued.

Disclosure of Iran-Related Activities. After February 6, 2013, Section 13 of the U.S. Securities Exchange Act of 1934 requires that certain issuers registered with the Securities and Exchange Commission ("SEC"), including Berkshire, disclose in their public filings and in separate reports to the SEC if the issuer or any of its affiliates has knowingly engaged in certain specified activities related to Iran. For these issuers, quarterly and annual reports filed after February 6, 2013 must include disclosure on all of the reportable activities that occurred during the period covered by the report (*e.g.*, for an annual report, during the fiscal year). Disclosure is required regarding the activities of each of Berkshire's subsidiaries, which are considered affiliates under the law.

A broad range of activities is reportable, including those relating to Iran's energy sector, military capabilities, suppression of human rights, or involving certain financial transactions, or Iranian SDNs. Reportable activities include, among others:

- Certain activities relating to Iran's petroleum industry, such as providing insurance or reinsurance contributing to Iran's ability to import refined petroleum products;
- Certain activities contributing materially to Iran's ability to acquire or develop destabilizing numbers and types of advanced conventional weapons or weapons of mass destruction; and
- Certain activities supporting Iran's acquisition or use of goods or technologies that are likely to be used to commit human rights abuses against the people of Iran.

In addition, the law requires that issuers disclose any transactions or dealings with any person or entity designated as a global terrorist or proliferator of weapons of mass destruction on the SDN List (whether or not relating to Iran).

The required report must include detailed information such as the nature and extent of the activity, gross revenues and net profits (if any) attributable to the activity, and whether the company intends to continue the activity. Such information is made available to the public, and may result in an investigation or imposition of sanctions by the U.S. Government.

If any employee of a Berkshire subsidiary has reason to believe that any potentially reportable activity has occurred, he or she must promptly report the matter to the Chief Financial Officer of Berkshire, so that a determination may be made as to whether the activity is of the type required to be disclosed under U.S. law. Because there is no materiality threshold for transactions subject to the disclosure requirement, it is important that Berkshire be made aware of any and all such activities, even those that may seem minor or incidental.

Ongoing Compliance. As anti-terrorism and foreign policy programs evolve and related rules change, the nature and extent of permitted and prohibited activities could change; for instance, additional countries or persons could become subject to embargoes or sanctions programs, or existing embargoes could be lifted or sanctions programs relaxed, such as in the case of Cuba where travel restrictions and certain exports for the benefit of the Cuban people have recently been authorized. Also, additional or different requirements may be applicable to Berkshire companies that are not U.S. persons or that are doing business outside of the U.S.. Each Berkshire subsidiary should monitor applicable sanctions programs and other trade restrictions to ensure that its policies remain current. Berkshire subsidiary employees should consult with their Compliance Officer to confirm compliance with applicable requirements before entering into any contractual or business relationship with persons or involving countries implicating potential embargoes or sanctions programs.

IV. OTHER RESTRICTED TRANSACTIONS

U.S. Anti-Boycott Laws. U.S. anti-boycott laws prohibit U.S. companies and their “controlled in fact” foreign affiliates, to the extent U.S. commerce is involved, from participating in foreign boycotts that the U.S. does not sanction. Moreover, if a boycott-related request is received, it must be reported to the Commerce Department within 30 days of the end of the calendar quarter in which it was received. Participating in an unsanctioned foreign boycott can also have negative tax consequences.

Although the anti-boycott laws apply to all non-U.S.-sanctioned boycotts imposed by foreign countries, the Arab League’s boycott of Israel is the principal foreign economic boycott covered. While the Treasury Department has identified Iraq, Kuwait, Lebanon, Libya, Qatar, Saudi Arabia, Syria, United Arab Emirates, and Yemen as boycotting countries, other countries may be sources of boycott requests, as well.

It is the policy of each Berkshire subsidiary to comply fully with all applicable U.S. anti-boycott laws. No Berkshire subsidiary or its employees may take any action that, directly or indirectly, supports the boycott of Israel or any other foreign boycott not sanctioned by the U.S..

Any employee with concerns as to whether a transaction implicates U.S. anti-boycott rules, or the boycott or anti-boycott laws of any other country, should consult with his or her Compliance Officer and not proceed with the transaction until advised. Moreover, if an employee receives a boycott-related request, he/she must promptly notify his or her Compliance Officer.

Export and Import Compliance. Through the International Traffic in Arms Regulations (“ITAR”), the Export Administration Regulation (“EAR”), and the Importation of Arms, Ammunition and Implements of War Regulations (“Import Controls”), the U.S. Government controls the import (permanent and temporary) into and export (temporary and permanent), directly from the U.S., or indirectly from or through a foreign country, of any products, software, or technology specifically designed, developed, adapted, modified or configured for a military application and other specifically identified high-tech or dual-use applications and the provision of related defense services to foreign persons. In addition, the ITAR include registration requirements for U.S. manufacturers (including processors) and brokers of certain military-oriented products, even if those companies do not export from the U.S. These regulations prohibit exports of all covered items and deemed exports of covered technology and software, as well as the provision of defense services and the provision of certain brokering services (even by companies organized abroad) without a State Department export license or approval having been issued, or an applicable exemption or exception being available. It is the policy of each Berkshire subsidiary to comply fully with ITAR, EAR and Import Controls. Each Berkshire subsidiary should evaluate its operations to determine whether it is subject to these regulations and, if so, develop appropriate procedures to address its individual compliance risks.

V. RETENTION OF THIRD PARTY SERVICES

Each Berkshire subsidiary shall conduct appropriate due diligence concerning Intermediaries, which include agents, resellers, distributors, lobbyists, joint venture partners, customs brokers, freight forwarders or other contractors. Each Berkshire subsidiary employing the services of such Intermediaries shall develop and maintain due diligence procedures appropriate to the risks presented. Such due diligence shall include, at a minimum, an evaluation of the third party’s owners and management to determine if any qualify as foreign officials under the FCPA, and an evaluation of the third-party’s character, qualifications, experience, reputation for integrity, and proven ability to provide the service for which it is being retained. Factors against retention of a third party include, but are not limited to, any unusual requests for compensation and any unusual payment, shipment or destination terms as well as the discovery of any facts, circumstances or “red flags” that might suggest that use of the Intermediary might create an increased FCPA compliance risk. The following are examples of some common red flags that are associated with an increased FCPA compliance risk:

- The transaction involves a country known for an increased risk of corruption.
- A reference check reveals flaws in the Intermediary’s background.
- Due diligence reveals that the Intermediary is a shell company or that there is something else unorthodox about the intermediary’s structure.
- The Intermediary requests payment to an offshore account or other non-standard payment terms.

- The Intermediary is not clearly qualified or lacks the necessary experience to perform the functions for which it has been hired.
- The Intermediary is recommended by a government official.
- The Intermediary has a close personal family or business relationship with a government official or relative of a government official, or makes large or frequent political contributions to government officials.
- The Intermediary charges above market amounts for its services.
- The Intermediary suggests that a particular amount of money may be necessary to obtain business or to close a certain deal.
- The Intermediary requests reimbursement of extraordinary, poorly documented or last minute expenses.
- The Intermediary objects to FCPA representations, warranties and covenants and related language in agreements with the Berkshire subsidiary.
- The Intermediary objects to signing FCPA compliance certifications.
- The Intermediary refuses to disclose its ownership, including any beneficial or other indirect owners, principals, or employees, or requests that the identity of its owners, principals or employees not be disclosed.
- The Intermediary requests a large contingency or success fee.

For any Intermediary, where there is an appreciable risk that the Intermediary may interact with government officials or present an FCPA compliance risk, Berkshire subsidiaries are required to have a written agreement with anti-corruption contract terms appropriate to the risks presented and must require the Intermediary to execute an appropriate certification of compliance with anti-corruption laws, including the FCPA. Such certifications of compliance shall be annually updated and maintained by the subsidiary.

VI. IMPLEMENTATION AND TRAINING

Distribution. Each general manager of a Berkshire subsidiary is responsible for the enforcement of and compliance with this Policy within his or her area of responsibility, including distribution of this Policy to Senior Management reporting to him or her, and other individuals that manage the risk areas discussed in this document, including, each employee, agent or manager who is likely to communicate, interact or have business dealings with government officials or manage persons likely to communicate, interact or have business dealings with government officials.

Training. This Policy and any related documentation must be included in all employee manuals for each Berkshire subsidiary, shall be provided to each member of senior management of each Berkshire subsidiary and shall be available to all employees of the Berkshire companies. Review and explanation of this Policy and any related documentation shall be made a part of the training for each manager of a Berkshire subsidiary and for: (i) each employee or manager who is likely to communicate, interact or have business dealings with government officials or manage persons likely to communicate, interact or have business dealings with government officials; and (ii) employees whose activities impact trade compliance. Periodic training must be provided to these personnel to ensure that they have the knowledge and tools they need to conduct business effectively and in compliance with the FCPA and applicable anti-bribery and anti-corruption laws as well as export control and customs laws. For Intermediaries who may have dealings with

government officials on a Berkshire subsidiary's behalf, each Berkshire subsidiary must confirm through diligence that such Intermediary has an adequate training program in place or it must adopt a procedure to provide anti-bribery and anti-corruption training to the Intermediary using a risk-based approach. The procedure should include periodic refresher training for such Intermediaries. Where appropriate, the training will be conducted in the audience's native language; otherwise, training will be provided in English with translation as necessary.

Disciplinary Action. Because Berkshire is committed to compliance with the law and this policy, **the failure of any Berkshire subsidiary personnel to comply with this Policy will result in disciplinary action up to, and including, termination.**

Disciplinary action may also be taken against the manager of an employee who violates this Policy should the manager fail to properly supervise the employee or know that the employee is engaging in behavior which violates the Policy and fail to stop or prevent such behavior.