

Code of Ethical Business Conduct

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Table of Contents

Understanding ARC’s Vision and Culture Code	3
A Message from ARC’s President & CEO	5
An Introduction and Overview	6
Help is Always Available	8
ARC’s Compliance Program	11
Our Commitments to Our Stakeholders	12
Our Commitments to Our Customers	13
Our Commitments to Our Employees	19
Our Commitments to Our Shareholders	22
Our Commitments to Our Business Partners	26

Understanding ARC's Vision and Culture Code

At ARC, we're "engaging the world with winning travel data and settlement solutions." We are committed to developing our organization and culture to deliver this Strategic Vision. This Code of Ethical Business Conduct reflects our commitment to accomplishing our Vision through compliance with applicable laws and regulations and by adopting best practices that will set us apart from our competitors and demonstrate our commitment to leadership.

ARC's Culture Code – underscores our Code of Ethical Business Conduct. Our success is based on your application of the Code to everything you do and your visible commitment to our internal and external customers. The Culture Code is meant to complement our varying individual value systems by providing a commonality of focus, agreement on which is right (or desirable) and wrong (or undesirable) work behavior, and a uniform standard to which we all should strive to adhere.

Some of the values expressed in our culture code are operational, meaning they're already part of our DNA as a company. Other values are aspirational, meaning we're still on a learning curve and haven't quite arrived. Regardless of categorization, the Culture Code embodies our corporate values:

We play to win. We win when . . .

1. We are **customer inspired** and quality driven.
2. We act with integrity, use good judgment and **deliver results**.
3. We are innovators and **courageous** risk takers.
4. We go **above and beyond** to understand and satisfy our customers.
5. We are entrepreneurial and **endlessly curious** to explore new ideas.
6. We are relentless in working together to **bring out the best in each other** and our company.
7. We **speak openly** and treat everyone with respect.
8. We are passionate about **work+life balance** and celebrate each others' success.
9. We embrace a future of diverse and infinite **possibilities**.

We power ARC.

ARC's goal is to ensure that every employee understands ARC's Culture Code and how each of us can have a positive impact through our daily work practices. If you have any questions about the Code, please talk with a member of your leadership team or Human Resources.

ARC's Compliance Program reflects its commitment to ethics and legal compliance. It is a multi-part program, and includes a Compliance Committee comprised of senior corporate executives, with a chairperson reporting directly to the President and CEO; an annual Compliance Plan; a toll-free help line that can be used by employees to report concerns anonymously; this Code of Ethical Business Conduct and more detailed corporate policies and practices; compliance risk analyses; program evaluation; regular information-sharing and training programs. We are serious about it!

Did you know that in May 2012, Yahoo's CEO left the company following the disclosure of a misrepresentation in his resume, a violation of the company's policies and Code of Ethics?

A Message from ARC's President & CEO

Dear ARC Colleague,



We are happy to have you as a valued employee of ARC. You are a member of an organization whose policies and procedures were established to create a working environment based on mutual trust, integrity, honesty, and respect. Integrity and credibility are immeasurable corporate assets, particularly to a company whose functions embrace financial settlement and data analytics. When these assets are lost, they are almost impossible to regain. We are committed to making ARC a respected and honored company in our industry for the benefit of all of our stakeholders – our fellow employees, customers, shareholders, and business colleagues. We have built a reputation, not only as an exceptional place to work, but also as a company that can be trusted to do the right thing. At each level of ARC's operations, we have accomplished this together by conducting our business honestly and ethically.

Integrity is a central principle of our Culture Code. Our customers respect and admire us for the high standards of conduct that characterize the dealings of our employees in every business relationship. You are the "face" of ARC as you interact with our customers. We are counting on you to maintain and enhance that reputation.

ARC is dedicated to the quality of its services, the satisfaction of its customers and the well being of its employees. ARC's commitment to caring extends to the way in which we conduct our business and treat one another. We have a firmly established policy of conducting our affairs in compliance with the letter and spirit of the law and adhering to the principles of business ethics. All employees and Board members are expected to develop an understanding of the laws and regulations that govern our business and to comply fully with them. We have developed this Code as a guide for you in addressing common challenges and situations you may face. That said, it is impossible to anticipate everything, so throughout the Code we have identified individuals from whom you can receive guidance and ask questions. We have also provided mechanisms to raise concerns anonymously.

The entire management team and I are fully committed to working with you to maintain ARC's highly regarded reputation for future generations. Thank you for your cooperation and commitment.

Sincerely,



Mike Premo
President and CEO

An Introduction and Overview

What is this Code and why does ARC have one?

ARC's Code of Ethical Business Conduct is a summary of policies and business conduct guidelines that enable each of us to understand the basic rules that apply to our work environment. The Code also describes some of the resources available to help us maintain these standards. In this way, we can help ensure that our actions do not fall short of our legal and ethical obligations.

This Code does not alter ARC's employment terms and conditions or our current policies or procedures. Those can be found on [ARC Central](#). Rather, the Code helps each of us understand what is expected of us to maintain ARC's well-recognized reputation for Integrity and to better guarantee compliance with applicable laws.

Do I really need to read this Code?

Yes! This Code has been specifically designed for you. All employees of ARC, as well as representatives, consultants, and independent contractors should be familiar with the principles and standards contained in this Code and should follow the Code in all of their activities on behalf of ARC.

ARC's Board has adopted its own Code of Ethics and Business Conduct, underscoring the importance of corporate compliance.

It is a basic part of your job to understand and follow the principles and standards of this Code. It represents our collective commitment to doing what is right. Those who fail to follow the Code put themselves, their co-workers and ARC at risk. They are also subject to corrective action, up to and including termination of employment.

Does it apply to all employees?

Yes, this Code applies to all employees, whether full or part-time, as well as to representatives, consultants and independent contractors who are retained to perform services for ARC.

Do managers have additional responsibility?

Those who manage or supervise others have an additional responsibility. They must lead by example and also make sure that the employees for whom they are responsible have adequate knowledge and resources to follow the contents of the Code. This responsibility includes monitoring employee compliance, enforcing ARC's policies, and supporting those who raise questions or concerns related to the contents of this Code in good faith.

Does this Code cover everything I need to know?

While every effort has been made to create a comprehensive guide for you, it is important to note that no Code can cover every law or standard that may apply to ARC. Moreover, ARC may determine to communicate new or additional standards to you in different ways. Additional resources will also be identified to you throughout this document by use of the symbol ⓘ. You are also encouraged to engage your manager or other appropriate resources in conversation about topics of interest or concern.

Help is Always Available

What if I am unsure about what to do and need assistance?

You are encouraged to seek assistance if you are ever less than clear about your responsibilities. This Code is designed to provide assistance, and conversation with your direct supervisor is also encouraged. However, you are free to seek assistance from any internal source you feel comfortable with. Representatives of ARC's Human Resources and Law Departments are available to assist you, and EthicsPoint, a 24-hour help line, is an additional resource.

There are other reference tools available, including ARC Central, where you'll find additional information on specific areas of business conduct, such as our "Conflict of Interest" and "Speak Up!" policies, and links to other sites with related information. All of [ARC's compliance policies](#) can be found there.

What if my concern is about an officer or director at ARC?

If the conduct of an ARC officer or a member of our Board of Directors presents an ethical or business conduct concern, you should consult our General Counsel or contact EthicsPoint online at www.ethicspoint.com or by phone. More information about EthicsPoint is available at [ARC Central](#), as well.

How do I report a violation?

If you have a good faith concern that a fellow employee or consultant to/representative of ARC has violated the law or the contents of this Code, you must report it to your manager, EthicsPoint, ARC's Vice President of Human Resources or General Counsel. Once you have reported a violation, the matter will be investigated.

You do not have to provide your name when reporting a violation. You may contact EthicsPoint in such situations. You must, however, provide sufficient information to enable a reasonable inquiry to proceed, and must act in good faith. In addition, once an investigation has been started, employees must cooperate, and provide truthful and complete information when such is requested.

Every effort will be made to keep confidential the identity of the person against whom a complaint has been filed. Some laws, however, may require disclosure of criminal acts to appropriate agencies, and ARC will comply with such requirements.

If you are called to answer questions related to an internal investigation, ARC expects your full cooperation. Failure to do so is subject to corrective action, up to and including termination of employment.

What is EthicsPoint?

EthicsPoint is a help line available online and by phone, 24 hours a day, 7 days per week. Its purpose is to address both questions and concerns about legal compliance, ethics and standards of business

conduct discussed in this Code and our compliance policies. So, you can call EthicsPoint if you are unsure about a situation and wish to obtain additional guidance, or you can report what you believe to be a violation of our policies. An independent company with trained staff answers calls to EthicsPoint. If you wish, your call can be anonymous. EthicsPoint has procedures in place to support this. Confidentiality will be maintained to the extent allowed by law.

Every effort is made to address your questions, concerns or complaints in a prompt, but thorough manner. If an investigation is warranted, the matter will be examined promptly, and corrective action will be taken, if appropriate. All matters reported to EthicsPoint are shared with ARC's Audit Committee; you can be assured that your call will not go unanswered.

You can reach EthicsPoint at www.ethicspoint.com or (866) 384-4277.

Do I need to worry about retaliation by someone I report?

No. Retaliation is prohibited.

Retaliation is any action taken to “get even” with or punish another who reports a known or suspected violation of law or of this Policy. This Code places a high level of importance around the treatment of retaliation.

ARC will not tolerate retaliation against, or other adverse employment consequences experienced by, anyone who, in good faith, reports an actual or suspected violation of law or ARC policy or who provides information in the course of internal investigation. Employees who do retaliate or cause adverse employment consequences will be subject to corrective action, up to and including termination of employment. Similarly, any employee who maliciously or recklessly makes unsubstantiated allegations without reasonable grounds to believe the allegations to be true or allegations that the employee knows to be false is subject to correction action, up to and including termination of employment.

Q

Q. I have been considering calling EthicsPoint. My supervisor is consulting for a company that could be considered a competitor, and this could create a conflict of interest. I think I should tell someone at ARC, but I'm afraid that my supervisor will make my job more difficult for me if I do. What should I do?

A. If you contact EthicsPoint, ARC will look into the situation of concern to you. Retaliation against you will not be permitted. The right thing to do is to report your concerns.

In summary, if you have a question or concern, there are many options available to you. You may contact your supervisor, ARC Central, members of the Human Resources or Law Departments, this Code or EthicsPoint. The choice is yours. The right thing to do, however, is to make that choice and follow through on matters of concern. Your active vigilance is key to insuring the success of ARC's efforts and an ethical work environment.

ARC's Compliance Program

This Code is more than just a description of our standards. It is the centerpiece of ARC's Compliance Program supported by our Board of Directors and the senior management of ARC.

A high-level committee that includes ARC's President and CEO and the entire ARC Executive Team provides administration of the ARC Compliance Program. ARC's Internal Auditor attends meetings of the Committee as an observer, and a senior attorney of the Law Department serves as the Committee's Secretary. The Committee was re-formed in 2011 and reports its activities to the Audit Committee of the Board of Directors. The General Counsel has been designated as ARC's Chief Compliance Officer. The Compliance Committee oversees ARC's Compliance Program. This responsibility includes:

- Monitoring ARC's overall compliance performance
- Approving the annual compliance plan
- Monitoring risk mitigation strategies, training and communications related to compliance
- Overseeing internal investigation processes
- Reviewing corrective procedures for Program violations
- Monitoring the operations of EthicsPoint

Our Commitments to Our Stakeholders

Our Code is built upon the trust of our stakeholders. Scrolling down, or scanning, this Code may lead you to think that there's too much information here. Not really! We want to confirm our obligations to each of our major stakeholders:

- **Customers**
- **Employees**
- **Shareholders**
- **Business Partners**

Our Commitments to Our Customers

ARC strives to maintain its reputation for integrity and excellence, as well as our commitment to customer service. We are equally committed to honoring all other legal and ethical standards that apply to our customers and the marketplace. We will treat our customers with honesty, fair dealing and respect, and we will compete fairly and in full compliance with laws that protect competition.

Here's what our customers are saying ---

My dear Lisa:

You, too, are so special and I hope I have told you before. There is not a supplier - no airline - no tour operator - no hotelier who has staff members as ARC has, and I have told everyone that has helped me this.

Thank you for being so fine.

Stella
Stella Cottrell Travel

I just wanted to let you know that Moges from the ARC Carrier Help Desk recently assisted Revenue Accounting with some technical questions concerning a Type B voucher and how we could tell our Technology team to identify these on the Carrier Accounting Tape. We had several emails back and forth to identify the proper elements and he was very thorough and timely in his help. As you can imagine, merging two large airlines together has been somewhat challenging at times. One of the issues we were still struggling with was subsidiary UA allowed the redemption of paper vouchers/certificates via the agency channel. With Moges direction, we were able to build a query and extract key information on the large volume and dollars of Type B certificates/vouchers used since the PSS1 conversion in early March 2012. Our accounting team was grateful and quickly made the necessary correcting journal entries.

Craig Miller
Director Revenue Accounting/Sales

In addition, ARC has implemented the Net Promoter System (NPS) to gauge and improve our customer relationships. NPS was first introduced in 2003 in the *Harvard Business Review* and has been adopted by many 'best in Market companies'. At ARC, we are utilizing NPS to remain focused on improving our products and services for our customers.

Privacy of Customer and Consumer Information

ARC's COMPASS data warehouse contains over 6 billion flight coupons. We have a responsibility to protect the privacy of the information that our customers entrust to us—in 2014, for example, we processed nearly 146 million transactions. Employees who do not have a business reason to access this information should never seek to do so, and those that do have legitimate access should take care to make sure that no unauthorized release or use of private customer information ever occurs.

ARC also maintains information about the many businesses with which we interact, including airlines, travel agents, and corporate travel departments, and this may include personal information. Only employees with a need to know this information may access or use it. **Never provide personal customer information to anyone outside of ARC without proper authorization.**

Customer privacy is an important area where legal requirements are still developing—both within and outside of the United States. ARC is committed to monitoring evolving privacy standards and keeping you informed of developments, too. While our [Privacy Policy](#) can be accessed at our corporate website, we may, from time to time, develop additional policies in light of developing legal standards.

- ① Call the Law Department at (703) 816-8120 if you have a privacy question.

As noted, above, additional information on this topic can be found in ARC's [Privacy Policy](#), and information on related [policy](#) topics may also be found on ARC Central, concerning ARC's Data Classification Policy and Encryption Policy.

Information Security

Safeguarding ARC's information, as well as that of our employees and the traveling public, is an important responsibility. Our policies, which can be found at the Compliance and Corporate Risk Office Policy sections on [ARC Central](#), are designed to help each of us comply with legal requirements and best corporate practices through technologically sound means.

- ① If you have an information security-related question, contact the Security team at corporatesecurity@arccorp.com.

Q

Q: I overheard a colleague ask another to provide her with travel information regarding her former spouse. What should I do?

A: Notify your supervisor, manager, or ARC's Human Resources or Security Department. It's the right thing to do.

The Government: A Special Customer

While integrity is key to all our customer relationships, special rules apply when the Government is our customer. Those involved in bidding on or providing services under a Government contract need to know the rules. Criminal sanctions can apply to violations.

In order to avoid even the appearance of improper conduct in dealing with a Governmental customer:

- Always accurately follow rules for billing the Government.
- Never offer anything of value to, or discuss future employment with, a Government official involved in approving or managing an ARC contract with the Government.
- Never seek or accept confidential bid information.

Due to the importance of this topic, ARC has a special [Government Contracts Code of Business Ethics and Conduct](#), and all ARC employees involved in Government contracting work are required to certify their understanding of, and compliance with, this Code on a regular basis.

- ① If you have questions about proper business relationships with the Government, contact the Law Department at (703) 816-8120.
-

Q

Q: ARC is the incumbent on a Government contract that is expiring and up for rebid. The Government's Contracting Officer sends you some information that you did not request and you later learn is material from a competitor's proposal. Does receipt of this information violate the Code?

A: Once you are aware that the material is information that you should not possess, you should notify the Contracting Officer that you are prohibited from receiving such material and you may not use this information in putting together your bid. You also must report this to ARC's Chief Compliance Officer.

Q: ARC intends to enter into a third party consulting agreement with a retired Federal Government employee. The consultant will assist ARC with its business plan for generating more work from the Federal Government. Should you have any concerns?

A: Yes. There are restrictions on a former U.S. Government official's post-employment work, including their ability to represent a company back to their previous employer. Additionally, Federal laws impose restrictions on the payment of contingent fees relating to Federal Government contracts, including consulting agreements in which the consultant will receive a commission for work generated for a Government contractor. You must consult with ARC's Chief

Compliance Officer or a member of ARC's Law Department prior to negotiating and entering into such a third party consulting agreement.

ARC's Brand and Reputation

ARC's reputation is a very important asset. To help insure the ongoing trust of our customers, our marketing, advertising and sales activities must describe our offerings and services legally, fairly and honestly.

All official advertising and promotions must be approved by appropriate management and must always avoid practices that are false, misleading or deceptive. All employees who deal with the public must be sure that their dealings reflect the highest standards of Integrity.

Q

Q: I'm negotiating an arrangement with a third party to purchase ARC data, and am asked to provide a copy of our logo for use on the third party's website. This is OK, right?

A: Not so fast! Review of the request for logo use with ARC's Marketing Department should be completed first.

Competition and Antitrust Compliance

Free competition in the marketplace benefits all of us as consumers and the antitrust laws in the United States and competition laws in other nations protect that competition.

While the antitrust laws protect those who compete fairly, they also punish those who do not—with severe criminal fines, high damage awards and even jail terms for individuals. U.S. antitrust laws and those of many other nations prohibit any agreements that create an unreasonable restraint of trade. Certain conduct or even discussion of it should be avoided.

- There should be no agreement on airline fares, prices, commission levels or other terms of sale.
Example: ARC must not participate in discussions with airline representatives about the maintenance of, or changes to, travel agent commissions or proposed increases in fees for excess bags.
- There should be no agreement to allocate or divide up customers or markets.
Example: ARC employees must not participate in discussion with carriers on how certain customers, e.g., Government travelers, will be solicited.
- There should be no agreement to boycott a supplier, customer or distributor.

Example: ARC representatives must not discuss with other local businesses a group effort to shift telephone suppliers away from or to a particular network service provider.

Other agreements may reduce competition and create antitrust issues. Always consult with the ARC Law Department before entering into any of the following types of agreement:

- Joint ventures, and marketing, purchasing or similar collaborative arrangements with competitors
- Exclusive dealings or arrangements, such as contracts that require ARC to buy only from a specified company
- Contracts tying or bundling together different products or services, such as contracts that require a buyer of data products to also buy a second “tied” data product

Antitrust laws are vigorously enforced. ARC takes this seriously and, as a result, routinely schedules training and shares information on this topic with employees.

ARC’s best practices require that a copy of meeting calls and agendas involving travel industry participants be reviewed by the Law Department in advance. Minutes of such meetings should be reviewed by the Law Department prior to distribution. And, if there is potential for sensitive issues to be raised during the meeting (both in-person or via teleconference), a representative of the Law Department should attend to provide advice and counsel to the ARC representative conducting the meeting.

- ① Further information may be obtained by reviewing ARC’s Policy on [Business Conduct and Conflict of Interest](#). Additional information on antitrust compliance is available at ARC Central.

If you have questions or concerns about your responsibilities under these laws, contact your supervisor or the Law Department.

Q

Q: I am in the Sales Department at ARC and I asked a number of air carrier and other industry representatives to play in a charity golf tournament to benefit Habitat for Humanity. During the tournament, an employee from a carrier struck up a conversation, complaining that it would be better for consumers if all carriers had uniform baggage fees. I ended the conversation right away, but did I really need to do so?

A: Yes, you did the right thing. You should also let ARC’s Law Department know about this occurrence as soon as possible. To avoid even the appearance of wrongdoing, always avoid discussion about fares and charges when competitors are present. When in doubt, consult our Law Department.

Q: I frequently attend meetings with large numbers of agency representatives. What topics should I be mindful of from an antitrust perspective?

A: Coordinated action between or among competitors is one area to be particularly mindful of. An example would be an agreement among the agents to establish uniform service fee levels. Even a discussion of individual service fee plans could be argued to be anticompetitive, particularly if the result is a lack of competition in this area.

Gathering Information About the Competition

As ARC has become more of a market-focused business, it's logical for us to want to know more about our competitors. And, there is nothing wrong with collecting publically available information. ARC is committed to competing vigorously, but fairly, and there should not be even an appearance to the contrary. **We must never obtain information about another party through the use of unlawful or unethical means**, such as making use of unauthorized information provided by a rogue employee of the competitor.

- ① Receiving or accepting information from competitors can create the appearance of impropriety. You should not accept or exchange information unless you know your conduct is permissible. Neither should you agree to permit competitors to use ARC as a means of sharing commercially sensitive information, e.g., compiling and publishing commission payment policies. If you have any questions, contact the Law Department.

Unfair Business Practices

Certain forms of business conduct are considered improper and are not consistent with ARC's commitment to integrity. **We do not make false statements about our competitors or their services.**

Intellectual Property

In much the same way as we protect our confidential information, ARC respects the proprietary and confidential intellectual property of others.

- ① What is intellectual property? Intellectual property refers to creations of the mind, including literary or artistic works, inventions and designs or names used in commerce. Examples include the "Harry Potter" books and movies, the Beatles' Song "SGT. Pepper's Lonely Hearts Club Band", and the corporate name "American Airlines".

Do not accept confidential information from another except under a confidentiality agreement reviewed and approved by the Law Department. Do not load any unlicensed software onto any ARC computer or hand-held device. Do not copy materials that are copyrighted. Do not include copyrighted materials in

materials that you are producing, such as videos, without the permission of the owner of the copyright. There are “fair use” exceptions for very small usage; always check with the Law Department in advance.

Our Commitments to Our Employees

Premised on our Corporate Culture, ARC is committed to a work environment that is professional and promotes the well being of its employees. Hostility, harassment, unwelcome sexual advances and other unprofessional conduct are not tolerated. Quite simply, such behavior does not belong at ARC.

Equal Employment Opportunity

ARC is committed to a workplace that is free from discrimination. This means we will recruit, hire, train, promote and provide other conditions of employment without regard to a person’s race, color, religion, gender, age, national origin, sexual orientation, veteran status, marital status or disability.

- ① More information on this topic is contained in ARC’s [Equal Employment Opportunity Compliance Policy](#), [Domestic Partnership Policy](#), and [Americans with Disabilities Act Policy](#) on [ARC Central](#).

Prevention of Harassment and Hostile Work Environment

ARC will not tolerate discriminatory conduct, jokes, slurs or other remarks that encourage or create an offensive or hostile working environment. ARC’s policy is that all employees should enjoy a work environment free from all forms of discrimination, including sexual harassment. For this reason, the company dedicates time and attention to training on the prevention of sexual harassment and shares information on this topic on a regular basis.

Sexual harassment is generally understood as either:

- Unwelcome sex-based conduct that is so severe and pervasive that it creates an intimidating, hostile or offensive work environment, OR
- Sex-based conduct by someone’s supervisor or manager that tangibly affects the employee’s job—for example, affects discipline, denial of promotion, or loss of pay or benefits.

Sexual harassment can take many shapes. It may include unwelcome sexual advances, displaying sexually sensitive information or pictures on a PC or hand-held device, requests for sexual favors, and verbal remarks or physical contact or conduct of an intimate or sexual nature, such as uninvited touching or sexually suggestive comments, that disrupt another’s work performance or create an intimidating, hostile or offensive work environment.

- ① ARC’s standards on sexual harassment prevention are explained in more detail in the [Sexual Harassment Prevention Policy](#) on ARC Central.

Q

Q: A co-worker frequently makes comments to a particular female co-worker about her appearance. It seems to be making her uncomfortable. What can I do about it?

A: You can contact your supervisor or one of the other resources available to you within ARC, such as the Human Resources Department or EthicsPoint. If the conduct continues, be persistent in your reporting.

Employee Privacy

We respect the confidentiality of our employees' personal information. This means that access to personal records is limited to individuals within ARC who have appropriate authorization and a clear business need for that information. ARC employees who have access to personal information must adhere to the highest standards of confidentiality regarding their use of personal information. **Never provide personal employee information requested by anyone outside of ARC without proper authorization.**

ARC's telephones, email, chat and voice mail systems are for business use. Personal communications should be kept to a minimum. ARC has the right to access and review communications, records and information created at work or with ARC resources. This includes Internet usage, email, and voicemail or telephone conversations.

- ① If you have an employee-related confidentiality question, contact a Human Resources representative or your manager.

Drugs and Alcohol at Work

Our work requires clear thinking and the ability to react promptly and professionally. Being under the influence of alcohol or drugs, or improperly using medication, diminishes an employee's ability to perform his or her best, which is vital to ARC's success.

This is why ARC strictly forbids the abuse of drugs and alcohol. Your failure to comply with these principles is taken extremely seriously.

- ① If you observe that another employee's performance on the job is impaired due to the use of alcohol, drugs or other substances, or that another employee is using alcohol or illegal substances on ARC's property, notify a member of management, the Human Resources Department or EthicsPoint.

If you would like further information on ARC's policies on drug and alcohol abuse, click on to the [Drug Free Workplace Policy](#) on ARC Central.

Q

Q: The manager I report to has been coming to work with alcohol on his breath. He doesn't seem at all impaired, but I worry that he may be. I am afraid that if I confront him or tell anyone, it may cause a scene or he may try and get me fired. What should I do?

A: A safe and secure work environment is essential to ARC. There is enough evidence to believe a problem may exist, so speak right away with another supervisor or a Human Resources representative or report your concerns to EthicsPoint. Retaliation against you is not acceptable and we will take steps to protect you.

Compliance with Other Laws and Regulations

ARC is wholly committed to complete compliance with applicable laws. Many of these have been described in detail, above, but there are additional laws with which ARC must comply. These include, for example, the Age Discrimination in Employment Act; Worker's Compensation rules; ERISA; and the Family Medical Leave Act. Further details can be found on ARC Central. Should you have any questions, contact ARC's Human Resources Department at (703) 816-8110.

Our Commitments to Our Shareholders

ARC is committed to promoting the interests of our shareholders by working hard to achieve superior financial results. In pursuing this goal, we will:

- Protect ARC's assets and resources.
- Avoid self-dealing and conflicts of interest.
- Be forthright in measuring and reporting our financial performance.

A. *Protecting ARC's Assets and Resources*

Company Property

You are responsible for using good judgment to ensure ARC's assets are not misused or wasted. **ARC's assets are intended to help achieve business goals. Careless, inefficient or illegal use of ARC's property hurts all of us.**

- ① Further information related to this topic may be found at the section on ARC's [Corporate Risk Office Policies](#) on ARC Central.

ARC's Proprietary Information

The non-public ideas, concepts and information ARC produces are valuable proprietary assets. "Proprietary" means ARC owns these assets, much like other kinds of property, and various laws allow us to protect them from use by those outside of ARC. Examples of proprietary information:

- Customer, sales, marketing and other corporate data bases
- Marketing plans
- Employee personnel records
- Research and technical data
- Business ideas, processes, proposals or strategies
- Actual or potential patents, copyrights or trademarks
- Computer software

Certain of these assets may also be viewed as ARC's intellectual property.
(See related discussion on p. 18.)

As the company has evolved into new lines of business beyond its traditional clearinghouse functions, the number and types of such proprietary information has grown. All of us must protect the confidentiality of this information. This helps make sure that we will reap the benefits of our own hard work.

- ① The importance ARC attaches to this area is more fully detailed in our [Non-Disclosure and Invention Assignment Agreement](#), which can be found on ARC Central. Every employee is asked to affirm his/her understanding of, and agreement to comply with, this Agreement each year.

There are times when sharing propriety information with persons outside ARC is appropriate. A consultant or attorney working for ARC may require such to complete an assignment. Generally, such disclosures must comply with [ARC's Data Classification Policy](#) which can be found on ARC Central, and a written confidentiality agreement may be required.

Computer and Network Security

All information networks – whether they are owned by ARC, provided for ARC by third parties or open to the public – must be protected from unauthorized use. Information networks include, but are not limited to, ARC Central, local and wide area networks (LANs and WANs) that are dedicated to connecting multiple computers over relatively shorter or longer distances, and virtual private networks (“VPNs”) that allow remote access to a company’s computer systems using the Internet. While most networks have some level of security to prevent unauthorized use, network information security is not a substitute for security steps that users or administrators of desktop workstations must employ, such as passwords, IDs, and physical access controls.

Further information can be found in the Acceptable Use and User Access Policies on ARC Central.

- ① Questions relating to information security should be addressed to ARC’s Security Department or EthicsPoint.

B. Self-Dealing and Conflicts of Interest

Insider Trading

Federal law protects the investing public by making it illegal for those with insider information to buy or sell securities, such as stocks, bonds, options, etc. Inside information is material information not available to the public. What is material information? If a reasonable investor would be likely to consider the information important in deciding whether to purchase, sell or hold a security, it is material.

As part of our accreditation and financial standards programs for air carriers and travel agents, certain individuals at ARC may have access to insider information, such as the pre-acquisition status of an agency. **ARC limits access to insider information, and employees may not buy or sell securities using it.**

Securities law violations are taken very seriously. Violations can be prosecuted very aggressively even when the amount of money involved is small or the “tipper”—the one providing the information or “tip”—makes no profit at all. Government agencies regularly monitor trading activities through computerized searches. Violations result in serious civil and criminal penalties against the individuals involved.

Q

Q: I'm aware that a certain carrier is in serious financial trouble. Can I alert my co-worker, who owns shares in that carrier?

A: No, you may not share such information unless it is publically known.

- ① If you have questions about your responsibilities under the insider trading laws, contact the Law Department for further guidance.

Media Inquiries

Financial analysts and other members of the public rely on ARC to provide them with reliable information regarding overall air travel performance and outlook. Only ARC employees specifically authorized to do so may respond to inquiries from members of the investment community (brokers, investment analysts) or the press. These inquiries also require coordination and must be reported to ARC's Corporate Communications Department at (703) 816-8158.

C. *Measuring and Reporting ARC's Financial Performance*

Accurate and Complete Books and Records

ARC's credibility and integrity are measured in many ways—one important way is by our books and records. **Every employee must help ensure that reporting of business information is accurate, complete and timely. This includes invoices, bills, payroll and benefits records, time records, regulatory data, performance evaluations and other essential ARC information.** All employees must:

- Follow all laws, external accounting requirements and ARC procedures for reporting financial information.
- Never deliberately make a false or misleading entry in a report or record.
- Never remove, alter or destroy ARC records or documents without authorization.
- Never sell, transfer or dispose of ARC assets without proper documentation and authorization. This would include bartering for goods and services.

ARC's policy is to comply fully with all applicable financial reporting and accounting regulations. This also applies to all operations reports or records prepared for internal or external purpose. You may be called on to provide necessary information to assure that these ARC obligations are met. You may also be called upon to provide information to and meet with ARC's Internal Auditor or its independent accountants. You must take this responsibility seriously and provide prompt, accurate and complete answers to internal inquiries and those of ARC's independent accountants. You must not attempt to influence decisions or analyses made by ARC's independent accountants. You are responsible for

reporting to your supervisor, the Financial Services or Law Departments or via EthicsPoint any questionable financial reporting or related document retention matters that come to your attention.

- ① Alteration, fabrication or inappropriate destruction of documents could seriously damage ARC and the individual's reputation and credibility as well as violate certain laws. There are potential criminal penalties for those who alter or falsify certain records or destroy documents, which are likely to be requested in connection with a government investigation or private litigation. If you have any questions about retention of documents, refer to ARC's Records Retention Policy, or contact the Corporate Risk or Law Departments.

Did you know that the IRS awarded \$104 million to a banker-turned-whistle blower in 2012 for uncovering a bank's scheme to assist clients in dodging taxes?

Our Commitments to Our Business Partners

ARC has many kinds of business partners and suppliers, and they are vital to our success. Therefore, we want to be sure that our relationships with them are based entirely on sound business decisions and fair dealing.

Conflicts of Interest

ARC employees are expected to carry out their assigned responsibilities in order to help the corporation succeed in accomplishing its mission and achieving its goals and objectives. As a general principle, therefore, no employee should engage in any activity that would create, or appear to create, a conflict of interest with his or her duty to ARC.

A conflict of interest may arise when an employee has some other interest that might suggest divided loyalty on the part of the employee between obligations to ARC on the one hand, and to some other person or organization on the other. While it is not practical to list all situations that might lead to a conflict of interest, here are some examples:

1. In a Business Transaction:

An employee, or members of an employee's immediate family, may not have any financial or personal interest in any ARC business transactions or relationships in which the employee plays or could play a decision-making role. As an employee, you or any member of your immediate family should not engage in any activity that might benefit you personally at the expense of ARC, or that would be harmful to ARC, without the express written consent of your Department's Vice President.

ARC's Related Party Transaction Policy addresses this type of conflict of interest, and imposes reporting obligations on certain employees. See the [Related Party Transactions Policy](#) on ARC Central.

2. Outside Employment:

With respect to employment, ARC expects that the primary loyalty and interest of all employees remains at all times with ARC. Any employment outside of ARC would be considered supplemental.

Employees may not engage in outside employment with ARC participating carriers or travel agents. They may also not engage in outside employment or other activities which impact their ability to carry out their responsibilities to ARC, or which otherwise conflict with the best interests of ARC.

Occasionally, ARC employees are asked to serve on the Board of Directors of another organization. While this can provide benefit to ARC and to you personally, in some cases it can

raise conflicts of interest or even legal issues. If you receive such an invitation and have any questions regarding a possible conflict, you should check with your manager or ARC's Chief Compliance Officer.

- ① If you think you may have a conflict of interest or that others could possibly perceive an activity or relationship you are engaged in as a conflict of interest, you must promptly disclose this to your manager or to the Chief Compliance Officer. If you believe someone else may have an actual or a potential conflict of interest, you must also promptly disclose this to your manager or the Chief Compliance Officer. The Chief Compliance Officer will determine requirements to mitigate any risk. Alternatively, you may report actual or potential conflicts of interest with EthicsPoint.
-

Q

Q: The owner of a non-accredited travel agency wants to hire me to do some work in my spare time. Can I take this part-time job?

A: As this prospective employer is not an ARC-accredited agent, the outright proscription is not applicable. Still, you should discuss this with your manager or ARC's Human Resources Department, as the answer depends on many factors, including your position with ARC and the position you would hold with the agency and its connection with ARC-accredited agents.

Travel

ARC employees and their families may accept free or reduced rate transportation from ARC participating carriers but only in accordance with [ARC's Pass Travel Policy](#), which can be found on ARC Central. Employees may also accept discounts from other travel suppliers that are generally available to employees in the travel industry in accordance with the Pass Travel Policy.

Receiving Gifts and Entertainment

Business gifts and entertainment can build understanding and goodwill, but they can also make it harder to be objective about the person providing the gift or entertainment. In short, they can create their own conflicts of interest.

Employees should not accept gifts or entertainment if they might reasonably appear to improperly influence business relationships or create an obligation to a vendor, contractor or customer. Nominal gifts such as logo items, calendars and shirts are acceptable. Reasonable invitations to business-related meetings, conventions, conferences or product training seminars may be accepted. Invitations to social or cultural events may be accepted if the cost is reasonable and attendance serves a customary business

purpose such as networking. Invitations to sporting activities or ticketed events that are usual and customary in the conduct of business and promote good working relationships with customers and suppliers may be accepted. Discuss offers or gifts with your manager to avoid misunderstandings.

Offering Gifts or Entertainment

Just as we have strict rules for receiving gifts and entertainment, we must be careful in how we offer them, too. Offering social amenities or business courtesies of a nominal value, such as modest gifts, meals and entertainment, is a common practice in the commercial world meant to create goodwill and enhance business relationships.

Using good judgment and moderation, occasionally exchanging entertainment or gifts of nominal value with a non-Governmental individual or entity is appropriate unless the recipient's employer forbids the practices—any courtesy should always comply with the policies of the recipient's organization. Government officials operate under strict legal requirements that may prohibit their acceptance of gifts or entertainment of even nominal value.

International Bribery and Corruption

The U.S. Foreign Corrupt Practices Act and similar foreign laws prohibit bribes to foreign Government and other officials (including political candidates and employees of Government-owned airlines). A violation can be a serious criminal matter for both ARC and the individual.

- The Act applies to our activities, regardless of location.
- The Act forbids offering or giving anything of value to a foreign official for the purpose of obtaining or retaining business, or for any other improper purpose.
- The Act requires ARC to keep accurate records and books to ensure payments are honestly described and not used for unlawful purposes.

① If you need further information, review [ARC's Anti-Corruption Compliance Policy](#) on [ARC Central](#) or contact ARC's Law Department.

Embargoes, Economic Sanctions and Anti-Boycott Laws and Regulations

The U.S. Government maintains embargoes and economic sanctions against some countries. It also has laws and regulations designed to prevent U.S. persons and companies from taking actions that will further any boycott in which the U.S. does not participate, such as the Arab League embargo against Israel.

The Office of Foreign Assets Control (OFAC) of the U.S. Treasury Department is the principal agency through which the U.S. Government imposes economic embargoes on other countries, including

prohibitions on financial transactions, investment and imports/exports. It may impose sanctions on specific types of transactions and activities or on all economic transactions and activities relating to a designated country, such as North Korea. These sanctions not only may affect trade with the designated country, but also may prohibit transactions with individuals or business entities, wherever located, which are deemed to be owned or controlled by the designated country's Government. The sanctions generally apply to the conduct of U.S. natural persons and business entities, as well as to subsidiaries of such companies, regardless of their locations. The restrictions generally cover a broad range of activities and often include prohibitions on transportation and travel-related activities.

- ① If you have any questions about this topic, review ARC's policy on the [Office of Foreign Assets Control \(OFAC\)](#) on ARC Central or contact ARC's Law Department.

Government Inquiries and Regulations

ARC's shareholders are regulated entities and, as a result, from time to time, ARC may come into contact with Government officials responsible for enforcing the law. ARC, itself, may be the subject of such an inquiry. It is your responsibility to deal honestly with such representatives at all times. ARC also expects you to act responsibly. Before responding to a request from a Government agency, you are to consult with the ARC Law Department.