IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

UNITED STATES OF AMERICA	§	
	§	
v.	§	**CRIMINAL NO.:**
	§	
PANALPINA WORLD TRANSPORT (HOLDING) LTD.,	§	
	§	
Defendant.	§	

DEFERRED PROSECUTION AGREEMENT

Defendant Panalpina World Transport (Holding) Ltd. ("PWT" or the "Defendant"), a company organized under the laws of Switzerland and headquartered in Basel, Switzerland, by its undersigned attorneys, pursuant to the authority granted by PWT's Board of Directors, and the United States Department of Justice, Criminal Division, Fraud Section (the "Department of Justice" or the "Department") enter into this deferred prosecution agreement (the "Agreement"). The terms and conditions of this Agreement are as follows:

Criminal Information and Acceptance of Responsibility

1. PWT acknowledges and accepts that the Department will file a two-count criminal Information (the "Information") charging PWT with: conspiracy to commit an offense against the United States in violation of Title 18, United States

Code, Section 371, that is, to violate the Foreign Corrupt Practices Act ("FCPA"), as amended, Title 15, United States Code, Sections 78dd-3, *et seq*. (Count One); and violating the anti-bribery provisions of the FCPA, Title 15, United States Code, Section 78dd-3 (Count Two).

2. PWT knowingly waives: (a) its right to indictment on the charges described in Paragraph 1; (b) its right to a speedy trial pursuant to the Sixth Amendment to the United States Constitution, Title 18, United States Code, Section 3161, and Federal Rule of Criminal Procedure 48(b); and (c) any objection with respect to venue and consents to the filing of the Information and the Agreement in the United States District Court for the Southern District of Texas.

3. PWT admits, accepts, and acknowledges that it is responsible for the acts of its directors, officers, employees, subsidiaries, agents, and consultants as charged in the Information and as set forth in the Statement of Facts attached hereto as Attachment B, and incorporated by reference into this Agreement, and that the allegations described in the Information and the facts described in Attachment B are true and accurate. Should the Department initiate the prosecution that is deferred by this Agreement, PWT agrees that it will neither contest the admissibility of nor contradict the Statement of Facts in any such proceeding, including any guilty plea or sentencing proceeding.

Term of the Agreement

4. This Agreement is effective for a period beginning on the date it is filed in the United States District Court for the Southern District of Texas, and ending three (3) years and seven (7) calendar days from that date (the "Term"). However, PWT agrees that, in the event that the Department determines, in its sole discretion, PWT has knowingly violated any provision of this Agreement, an extension or extensions of the term of the Agreement may be imposed by the Department, in its sole discretion, for up to a total additional time period of one year, without prejudice to the Department's right to proceed as provided in Paragraphs 18-20 below. Any extension of the Agreement extends all terms of this Agreement for an equivalent period. Conversely, in the event the Department finds, in its sole discretion, that there exists a change in circumstances sufficient to eliminate the need for the corporate compliance reporting obligations described in Paragraphs 12-15 and Attachments C and D and that the other provisions of this Agreement have been satisfied, the Term of the Agreement may be terminated early.

Relevant Considerations

5. The Department enters into this Agreement based on the individual facts and circumstances presented by this case and PWT. Among the facts considered were that:

a. PWT conducted comprehensive anti-bribery compliance investigations of operations of PWT's subsidiaries in seven countries, as well as separate investigations related to U.S. and Swiss operations;

b. PWT conducted a review of certain transactions and operations conducted by its subsidiaries or agents in another 36 countries;

c. PWT promptly and voluntarily reported its findings from all investigations to the Department, including arranging to provide information from foreign jurisdictions which significantly facilitated the Department's access to such information;

d. PWT mandated employee cooperation from the top down and ensured the availability of more than 300 employees and former employees for interviews during and following the investigations;

e. PWT instituted a limited employee amnesty program to encourage employee cooperation with the investigations;

f. PWT expanded the scope of the investigations where necessary to ensure thorough and effective review of potentially improper practices, and promptly and voluntarily reported any improper payments identified after internal and Department investigations had begun;

g. After initially not cooperating with the investigation for several months, PWT fully cooperated with the Department's investigation of this matter, as well as the SEC's investigation, and on the whole exhibited exemplary cooperation with the Department's investigation;

h. PWT provided substantial assistance to the Department and the SEC in its investigation of its directors, officers, employees, agents, lawyers, consultants, contractors, subcontractors, subsidiaries and customers relating to violations of the FCPA;

i. PWT undertook substantial remedial measures, including:

i. Created a compliance department, with a reporting line to the Board of Directors, and provided it the authority and resources required to assess global operations and recommend and implement necessary changes in business practices;

ii. Implemented a compliance program, including an upgraded code of conduct and on-site compliance audits, and enhanced the program throughout the investigation;

iii. Drafted upgraded compliance policies and implemented them globally through enhanced training;

iv. Conducted systematic risk assessments in high-risk countries and worked with compliance counsel to conduct numerous on-site compliance audits;

v. Developed mechanisms to review and evaluate the legality of hundreds of processes on a global basis to ensure compliance;

vi. Retained and promoted senior management with the most significant commitment to compliance within the company to ensure the appropriate "tone at the top";

vii. Oversaw significant turnover of personnel globally, including individuals who departed because they were unwilling to work within the new compliance standards implemented worldwide;

viii. Coordinated its compliance and internal audit functions to ensure implementation of policies and procedures and monitoring of the Company's global remediation progress;

ix. Voluntarily and independently hired its own outside compliance counsel to advise and assist the Company in undertaking further remedial measures and compliance enhancements as contemplated by this Agreement; and

x. Of its own initiative and at a substantial cost, PWT closed down its operations and withdrew from Nigeria to avoid potential ongoing improper conduct.

j. PWT agreed to continue to cooperate with the Department in any ongoing investigation of the conduct of PWT and its directors, officers, employees, agents, lawyers, consultants, subcontractors, subsidiaries, and customers relating to violations of the FCPA.

6. During the term of this Agreement and consistent with applicable law and regulations, PWT shall continue to cooperate fully with the Department in any and all matters relating to corrupt payments, related false books and records, and inadequate internal controls subject to applicable law and regulations, including Article 271 of the Swiss Penal Code (the "Blocking Statute"). At the request of the

Department, and consistent with applicable laws and regulations, including the Blocking Statute, PWT shall also cooperate fully with such other domestic or foreign law enforcement authorities and agencies, as well as the Multilateral Development Banks ("MDBs") in any investigation of PWT, or any of its present and former directors, employees, agents, consultants, subcontractors, and subsidiaries, or any other party, in any and all matters relating to corrupt payments, related false books and records, and inadequate internal controls. Subject to the foregoing limitations, PWT agrees that its cooperation shall include, but is not limited to, the following:

a. PWT shall truthfully disclose all factual information that is not protected by the attorney-client privilege or work product doctrine with respect to its activities and those of its present and former directors, officers, employees, agents, lawyers, consultants, subcontractors, subsidiaries, and customers concerning all matters relating to corrupt payments and related false books and records and inadequate internal controls, about which PWT has any knowledge and about which the Department may inquire. This obligation of truthful disclosure includes the obligation of PWT to provide to the Department, upon request, any document, record or other tangible evidence relating to such corrupt payments,

false books and records, or inadequate internal controls about which the Department may inquire of PWT.

b. Upon request of the Department, with respect to any issue relevant to its investigation of corrupt payments in connection with the operations of PWT, related false books and records, and inadequate internal controls, PWT shall designate knowledgeable employees, agents, consultants, or attorneys to provide to the Department the information and materials described in Paragraph 6(a) above that are not protected by the attorney-client privilege or work product doctrine. It is further understood that PWT must at all times provide complete, truthful, and accurate information.

c. With respect to any issue relevant to the Department's investigation of corrupt payments, related false books and records, and inadequate internal controls in connection with the operations of PWT, or any of its present or former subsidiaries or affiliates, PWT shall use its best efforts to make available, as requested by the Department, present or former directors, officers, employees, agents, attorneys, or consultants of PWT, as well as the directors, officers, employees, agents, consultants, or attorneys of subcontractors, for interviews or testimony about the matters described in Paragraph 6(a) above that are not protected by the attorney-client privilege or work product doctrine. This obligation

includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with federal law enforcement authorities. Cooperation under this Paragraph will include identification of witnesses who, to the knowledge of PWT, may have material information regarding the matters under investigation.

d. With respect to any information, testimony, documents, records or other tangible evidence provided to the Department pursuant to this Agreement, PWT consents to any and all disclosures consistent with applicable law and regulation to other governmental authorities, including United States authorities and those of a foreign government, and the MDBs, of such materials as the Department, in its sole discretion, shall deem appropriate.

Monetary Penalty

7. Pursuant to Section 1B1.2(a) of the United States Sentencing Guidelines (USSG or the "Sentencing Guidelines"), including Application Note 1, the Department and PWT agree that the applicable fine under this Agreement shall be calculated pursuant to USSG Section 2C1.1, and that such an application of the Sentencing Guidelines to determine the applicable fine range yields the following analysis:

a. The 2009 USSG are applicable to this matter.

b. Base Offense. Based upon USSG § 2C1.1, the total offense level is 36, calculated as follows:

(a)(2) Base Offense Level	12
(b)(1) Specific Offense Characteristic (More than one bribe)	+2
(b)(2) Specific Offense Characteristic (Value of Bribe Paid between $20 million and $50 million, based on transactions with U.S. nexus, pursuant to USSG 2C1.1, App. Note 7, Background)	+22
TOTAL	36

c. Base Fine. Based upon USSG § 8C2.4(a)(1), the base fine is $45,500,000 (fine corresponding to the Base Offense level as provided in Offense Level Table).

d. Culpability Score. Based upon USSG § 8C2.5, the culpability score is 8, calculated as follows:

(a)	Base Culpability Score	5
(b)(1)	The organization had 5,000 or more employees and tolerance of the offense by substantial authority personnel was pervasive throughout the organization.	+5
(g)	The organization fully cooperated in the investigation and clearly demonstrated recognition and affirmative acceptance of responsibility for its criminal conduct.	-2
	TOTAL	8

e. Calculation of Fine Range. Based upon USSG § 8C2.7, the fine range is calculated as follows:

Base Fine	$45,500,000
Multipliers	1.6 – 3.2
Fine Range	$72,800,000 – $145,600,000

8. PWT agrees to pay a monetary penalty in the amount of $70,560,000. The parties agree that any criminal penalty that is imposed by the Court and paid by Panalpina U.S., in connection with its guilty plea and plea agreement entered into simultaneously herewith will be deducted from the $70,560,000 criminal penalty required by this Agreement.

9. PWT agrees to pay this monetary penalty to the United States Treasury in four equal annual installments. The first payment shall be due to the U.S. Treasury within ten (10) business days of the sentencing of Panalpina U.S. The second payment shall be due on the one-year anniversary of the sentencing of Panalpina U.S. The third payment shall be due on the two-year anniversary of the sentencing of Panalpina U.S., and the fourth payment shall be due on the three-year anniversary of the sentencing of Panalpina U.S. The $70,560,000 penalty is final and shall not be refunded.

10. Nothing in this Agreement shall be deemed an agreement by the Department that the $70,560,000 amount is the maximum penalty that may be imposed in any future prosecution, and the Department is not precluded from arguing in any future prosecution that the Court should impose a higher fine, although the Department agrees that under those circumstances, it will recommend to the Court that the amount paid under this Agreement should be offset against any fine the Court imposes as part of a future judgment.

11. PWT acknowledges that no tax deduction may be sought in connection with the payment of any part of this $70,560,000 fine.

Conditional Release from Criminal Liability

12. In return for the full and truthful cooperation of PWT as described in Paragraphs 5 and 6 above, and its compliance with the terms and conditions of this Agreement, the Department agrees, subject to Paragraph 18-21 below, not to use any information related to the conduct set forth in the Information or Statement of Facts, or conduct otherwise disclosed by PWT or otherwise known to the Department prior to the date on which this Agreement was signed by PWT, against PWT or any of its wholly-owned or controlled subsidiaries, except as set forth in the Plea Agreement with respect to Panalpina U.S., in any criminal or civil case, except: (a) in a prosecution for perjury or obstruction of justice; (b) in a

prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. In addition, the Department agrees, except as provided herein, that it will not bring any criminal or civil charges against PWT or any of its wholly-owned or controlled subsidiaries related to the conduct of present and former directors, officers, employees, agents, lawyers, consultants, contractors and subcontractors, as described in the Information or the attached Statement of Facts, or relating to information disclosed by PWT or otherwise known to the Department prior to the date on which this Agreement was signed, or relating to undisclosed conduct of a similar scale and nature that took place prior to the signing of this Agreement and was not discovered by PWT's or Panalpina U.S.'s internal investigation, notwithstanding reasonable efforts by PWT and Panalpina U.S.

a. This Paragraph does not provide any protection against prosecution for any corrupt payments or related false books and records, or related inadequate internal controls, if any, by PWT in the future.

b. In addition, this Paragraph does not provide any protection against prosecution of any present or former director, officer, employee,

shareholder, agent, lawyer, consultant, or subcontractor of PWT for any violations committed by him or her.

Corporate Compliance Program and Reporting

13. PWT represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anti-corruption laws throughout its operations, including those of its subsidiaries, affiliates, branches, joint ventures, and, as appropriate, those of its agents, contractors, and subcontractors, with responsibilities that include interacting with foreign officials and other high risk activities.

14. In order to address any deficiencies in its internal controls, policies, and procedures regarding compliance with the FCPA and other applicable anti-corruption laws, PWT represents that it has undertaken, and will continue to undertake in the future, in a manner consistent with all of its obligations under this Agreement, a review of its existing internal controls, policies, and procedures. Where necessary and appropriate, PWT will adopt new or modify existing internal controls, policies, and procedures in order to ensure that PWT maintains: (a) a system of internal accounting controls designed to ensure the making and keeping of fair and accurate books, records, and accounts; and (b) a rigorous anti-

corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA, and other applicable anti-corruption laws. The internal controls system and compliance code, standards, and procedures will include, but not be limited to, the minimum elements set forth in Attachment C, which is incorporated by reference into this Agreement.

15. PWT agrees that it shall provide written reports to the Department on its progress and experience in implementing and, as appropriate, enhancing its compliance policies and procedures, as set forth and further outlined in Attachment D, which is incorporated by reference into this Agreement.

16. The implementation and maintenance of these policies and procedures shall not be construed in any future enforcement proceeding as providing immunity or amnesty for any crimes not disclosed to the Department as of the date of signing of this Agreement for which PWT would otherwise be responsible.

Deferred Prosecution

17. In consideration of: (a) the past and future cooperation of PWT described in Paragraphs 5-6 above; (b) the implementation of an enhanced compliance program and annual compliance report to the Department for a period of three years as described in Paragraphs 12-14 above; (c) the payment of a criminal penalty by PWT of $70,560,000; (d) the entry of a guilty plea by

Panalpina U.S.; (e) PWT's implementation and maintenance of remedial measures; and (f) PWT's future reporting to the Department regarding its progress in implementing its compliance program, the Department agrees that any prosecution of PWT for the conduct set forth in the attached Statement of Facts and conduct disclosed by PWT or otherwise known to the Department prior to the signing of this Agreement, be and hereby is deferred for the Term of this Agreement.

18. The Department further agrees that if PWT fully complies with all of its obligations under this Agreement, the Department will not continue the criminal prosecution against PWT described in Paragraph 1, and at the conclusion of the Term, this Agreement shall expire. Within 30 days of the expiration of the Agreement, the Department will move to dismiss with prejudice the criminal Information filed against PWT described in Paragraph 1.

Breach of the Agreement

19. If, during the Term of this Agreement, the Department determines, in its sole discretion, that PWT has: (a) committed any felony under federal law subsequent to the signing of this Agreement; (b) at any time provided deliberately false, incomplete or misleading information, or (c) has otherwise knowingly breached the Agreement, PWT shall thereafter be subject to prosecution for any federal criminal violation of which the Department has knowledge and the

Information described in Paragraph 1 may be pursued by the Department in the U.S. District Court for the Southern District of Texas. Any such prosecution may be premised on information provided by PWT. In the event of a knowing breach of this Agreement by the Defendant, should the Department elect to pursue criminal charges, or any civil or administrative action that was not filed as a result of this Agreement, then:

a. PWT agrees that any prosecution that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against PWT notwithstanding the expiration of the statute of limitations between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, PWT agrees that the statute of limitations with respect to any prosecution that is not time-barred on the date of this Agreement shall be tolled for the Term plus one-year;

b. PWT expressly acknowledges and incorporates by reference the Tolling Agreement dated January 24, 2008 and the Tolling Agreement Extensions dated January 24, 2009 and October 28, 2010, entered into by PWT and the Department;

c. PWT waives all defenses based on the statute of limitations, any claim of preindictment delay, and any speedy trial claim with respect to any

such prosecution or action, except to the extent that such defenses existed as of the date of the signing of this Agreement or may arise after the conclusion of the tolling period described in subparagraphs 18(a) and 18(b) above.

20. In the event that the Department determines that PWT has knowingly breached this Agreement, the Department agrees to provide PWT with written notice of such breach prior to instituting any prosecution resulting from such breach. PWT shall, within thirty (30) days of receipt of such notice, have the opportunity to respond to the Department in writing to explain the nature and circumstances of such alleged breach, as well as the actions PWT has taken to address and remediate the situation, which explanation the Department shall consider in determining whether to institute a prosecution.

21. In the event that the Department determines that PWT has knowingly breached this Agreement: (a) all statements made by or on behalf of PWT to the Department or to the Court, including the attached Statement of Facts, and any testimony given by PWT before a grand jury or any tribunal, at any legislative hearings, whether prior or subsequent to this Agreement, or any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Department against PWT; and (b) PWT shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal

Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence or any other federal rule, that statements made by or on behalf of PWT prior or subsequent to this Agreement, and any leads derived therefrom, should be suppressed. The decision whether conduct or statements of any individual will be imputed to PWT for the purpose of determining whether PWT has violated any provision of this Agreement shall be in the sole discretion of the Department.

22. PWT acknowledges that the Department has made no representations, assurances or promises concerning what sentence may be imposed by the Court if PWT knowingly breaches this Agreement and this matter proceeds to judgment. PWT further acknowledges that any such sentence is solely within the discretion of the Court and that nothing in this Agreement binds or restricts the Court in the exercise of such discretion.

Sale or Merger of PWT

23. PWT agrees that in the event it sells, merges, or transfers all or substantially all of its business operations as they exist as of the date of this Agreement, whether such sale is structured as a stock or asset sale, merger or transfer (including the sale, merger, or transfer of unincorporated branches), it shall include in any contract for sale, merger or transfer a provision binding the

purchaser, or any successor in interest thereto, to the obligations described in this Agreement.

Public Statements by PWT

24. PWT expressly agrees that it shall not, through its present or future attorneys, directors, officers, employees, agents, or any other person authorized to speak for PWT, make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by PWT set forth above or the facts described in the attached Statement of Facts. Any such contradictory statement shall, subject to cure rights of PWT described below, constitute a breach of this Agreement and PWT thereafter may be subject to prosecution as set forth in Paragraphs 18-21 of this Agreement. The decision whether any public statement by any such person contradicting a fact contained in the Statement of Facts will be imputed to PWT for the purpose of determining whether it has breached this Agreement shall be at the sole discretion of the Department. If the Department determines that a public statement by any such person contradicts in whole or in part a statement contained in the Statement of Facts, the Department shall so notify PWT, and PWT may avoid a breach of this Agreement by publicly repudiating such statement(s) within five (5) business days after receipt of such notification. Consistent with the obligations of PWT as set forth above, PWT shall be permitted to raise defenses

and assert affirmative claims in civil and regulatory proceedings in the United States and any proceedings outside of the United States relating to the matters set forth in the Statement of Facts. This Paragraph does not apply to any statement made by any present or former employee of PWT or any of its subsidiaries or affiliates in the course of any criminal, regulatory, or civil case initiated against such individual, unless such individual is speaking with express authorization on behalf of PWT.

25. PWT agrees that if it or any of its direct or indirect affiliates or subsidiaries issues a press release in connection with this Agreement, PWT shall first consult the Department to determine whether (a) the text of the release is true and accurate with respect to matters between the Department and PWT; and (b) the Department has no objection to the release. Nothing herein shall limit the right of PWT to make truthful disclosures required by applicable securities laws and regulations.

Limitations on Binding Effect of Agreement

26. This Agreement is binding on PWT and the Department but specifically does not bind any other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, or any other authorities, although the Department will bring the cooperation of PWT and its compliance with its other

obligations under this Agreement, to the attention of such agencies and authorities, if requested to do so by PWT.

Notice

27. Any notice to the Department under this Agreement shall be given by personal delivery, overnight delivery by a recognized delivery service, or registered or certified mail, in each case, for the Department, addressed to Deputy Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, Fourth Floor, 1400 New York Avenue, N.W., Washington, D.C. 20005 and, for PWT, addressed to Christoph Hess, General Counsel and Corporate Secretary, PWT, Viadukstrasse 42, CH-4002 Basel, Switzerland, and Richard N. Dean, Baker & McKenzie, 815 Connecticut Avenue NW, Suite 1200, Washington, D.C., 20006. Notice shall be effective upon receipt by PWT.

Complete Agreement

28. This Agreement sets forth all the terms of the agreement between PWT and the Department. No amendments, modifications or additions to this Agreement shall be valid unless they are in writing and signed by the Department, the attorneys for PWT, and a duly authorized representative of PWT.

AGREED:

FOR THE DEPARTMENT OF JUSTICE:

DENIS J. McINERNEY
Chief
Fraud Section, Criminal Division

By: _____
Stacey K. Luck
Senior Trial Attorney
Fraud Section, Criminal Division

_____
Adam G. Safwat
Assistant Chief

United States Department of Justice
Criminal Division
1400 New York Ave., N.W.
Washington, D.C. 20005
(202) 514-5650

FOR
PANALPINA WORLD
TRANSPORT (HOLDING) LTD.:

By: _____

Stephan Gussmann
Head of Government Affairs
Panalpina World Transport (Holding) Ltd.

_____

Richard N. Dean
Douglas M. Tween
Baker & McKenzie, LLP
Counsel for Panalpina World Transport (Holding) Ltd.

Houston, Texas, on this 4th day of Nov., 2010

OFFICER'S CERTIFICATE

I have read this Agreement and carefully reviewed every part of it with counsel for Panalpina World Transport (Holding) Ltd. ("PWT"). I understand the terms of this Agreement and voluntarily agree, on behalf of PWT, to each of its terms. Before signing this Agreement on behalf of PWT, I consulted with the attorney for PWT. The attorney fully advised me of the rights of PWT, of possible defenses, the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement.

I have carefully reviewed this Agreement with the Board of Directors of PWT. I have caused outside counsel for PWT to advise the Board of Directors fully of the rights of PWT, of possible defenses, of the Sentencing Guidelines' provisions, and of the consequences of entering into the Agreement.

No promises or inducements have been made other than those contained in this Agreement. Furthermore, no one has threatened or forced me to enter into this Agreement. I am also satisfied with the attorney's representation in this matter.

I certify that I have been duly authorized by PWT to execute this Agreement on behalf of PWT.

Date: 10/27/10

Panalpina World Transport (Holding) Ltd.

By: S. Gussmann

Stephan Gussmann
Head of Government Affairs
Panalpina World Transport (Holding) Ltd.

CERTIFICATE OF COUNSEL

We are counsel for Panalpina World Transport (Holding) Ltd. ("PWT") and Panalpina, Inc. (collectively "Panalpina") in the matter covered by this Agreement. In connection with such representation, we have examined relevant Panalpina documents and have discussed this Agreement with the Board of Directors of PWT. Further, we have carefully reviewed every part of this Agreement with the Board of Directors and General Counsel of PWT. We have fully advised them of Panalpina's rights, of possible defenses, the Sentencing Guidelines' provisions, and of the consequences of entering into this Agreement. Based on our review of the foregoing materials and discussions, we are of the opinion that PWT's representative has been duly authorized to enter into this Agreement on behalf of PWT. This Agreement has been duly and validly authorized, executed, and delivered on behalf of PWT and is a valid and binding obligation of PWT. To our knowledge, the decision of PWT to enter into this Agreement, based on the authorization of the Board of Directors, is an informed and voluntary one.

Date: 27/10/10

Richard N. Dean
Douglas M. Tween
Baker & McKenzie, LLP
Counsel for Panalpina World Transport (Holding) Ltd.

ATTACHMENT A

CERTIFICATE OF CORPORATE RESOLUTIONS

A copy of the executed Certificate of Corporate Resolutions is annexed hereto.

PANALPINA WORLD TRANSPORT (HOLDING) LTD.
CERTIFICATE OF CORPORATE RESOLUTIONS

Resolutions of the Board of Directors Meeting of
PANALPINA WORLD TRANSPORT (HOLDING) LTD.
held on September 3, 2010
in Basel, Switzerland

I, Dr. Rudolf W. Hug, do hereby certify that I am the Chairman of the Board of Directors for Panalpina World Transport (Holding) Ltd. (the "Company"), a company incorporated in Switzerland, and that the following is an accurate excerpt of certain resolutions unanimously adopted by the Board of Directors of the Company at a meeting held on September 3, 2010, at which a quorum was present.

WHEREAS, Panalpina World Transport (Holding) Ltd. (the "Company") has been engaged in discussions with the United States Department of Justice (the "Department") and the United States Securities and Exchange Commission (the "Commission") in connection with issues relating to certain unlawful payments to foreign officials made by certain subsidiaries of the Company in the course of rendering freight forwarding services and obtaining business for the Company;

WHEREAS, in order to fully resolve the above, it is proposed that the Company and its wholly-owned subsidiary, Panalpina, Inc., enter into certain agreements with the Department and Commission (the "Proposed Settlement"), and the key terms of the Proposed Settlement have been distributed to the members of the Board;

WHEREAS, the Proposed Settlement contemplates:

1. Panalpina, Inc., a wholly owned subsidiary of the Company, pleading guilty to certain crimes pursuant to a Plea Agreement with the Department (the "Plea Agreement") which, among other things: (a) includes the filing of an Information in the United States District Court for the Southern District of Texas charging Panalpina, Inc. with conspiring to violate the books and records provisions of the Foreign Corrupt Practices Act (the "FCPA"), and aiding and abetting violations of the books and records provision of the FCPA; (b) requires Panalpina, Inc. to waive the filing of an indictment on such charges; (c) requires Panalpina, Inc. to enter a plea of guilty as to all charges in the Information; (d) requires Panalpina, Inc. to abide by the terms of the Plea Agreement, including the maintenance of a compliance program and periodic reporting to the Department for a period of three years; and (e) requires Panalpina, Inc. to pay a monetary penalty of US$70,560,000, which shall be paid to the Clerk of the Court for the Southern District of Texas;

2. The Company entering into to a Deferred Prosecution Agreement with the Department (the "Deferred Prosecution Agreement") which, among other things: (a) includes the filing of an Information in the United States District Court for the Southern District of Texas that charges the Company with conspiring to violate the antibribery provisions the FCPA, and violations of the antibribery provisions of the FCPA; (b) requires the Company to abide by the terms of the Deferred Prosecution Agreement, including the maintenance of a compliance program and periodic reporting to the Department for a period of three years; and (c) requires the Company to pay a monetary penalty of US$70,560,000 to the U.S. Treasury, which shall be reduced by any penalty imposed on and paid by Panalpina, Inc. pursuant to the sentenced imposed by the Court for the Southern District of Texas;

3. Panalpina, Inc. entering into a Consent Agreement and Final Judgment with the Commission, which, among other things: (a) permanently restrains and enjoins Panalpina, Inc. from violations of the anti-bribery provisions of the Securities Exchange Act of 1934 ("Exchange Act"); (b) permanently restrains and enjoins Panalpina, Inc. from aiding and abetting violations of the books and records and internal controls provisions of the Exchange Act; and (c) orders Panalpina, Inc. to pay disgorgement in the amount of US$11,329,369;

WHEREAS, the Company's external legal counsel, Baker & McKenzie LLP, together with the Company's General Counsel, have advised the Board of Directors of the Company's rights, possible defenses, relevant provisions of the United States Sentencing Guidelines, and the consequences of entering into such agreements with the Department and Commission;

NOW, THEREFORE, BE IT RESOLVED, that the following actions be and hereby are authorized or, as the case may be, ratified:

1. Panalpina, Inc. is authorized to (a) consent to the filing in the United States District Court for the Southern District of Texas of an Information charging it with conspiring to violate the books and records provisions of the FCPA and aiding and abetting violations of the books and records provisions of the FCPA; (b) waive indictment on such charges; (c) consent to the entry of a plea of guilty; (d) agree to abide by all of the terms of the Plea Agreement; and (e) pay a monetary penalty of US$70,560,000 to the Clerk of the United States District Court for the Southern District of Texas;

2. The Company is authorized to (a) consent to the filing in the United States District Court for the Southern District of Texas of an Information charging it with conspiring to violate the antibribery provisions of the FCPA and violations of the antibribery provisions of the FCPA; (b) waive indictment on such charges and enter into a Deferred Prosecution Agreement with the Department; (c) abide by all of the terms of the

Deferred Prosecution Agreement; and (d) pay a monetary penalty of US$70,560,000 to the U.S. Treasury, which shall be reduced by any penalty imposed on and paid by Panalpina, Inc. pursuant to the sentence imposed by the Court for the Southern District of Texas;

3. Panalpina, Inc. is authorized to enter into a Consent Agreement and Final Judgment, with respect to the investigation conducted by the Commission, which, among other things: (a) permanently restrains and enjoins Panalpina, Inc. from violations of the anti-bribery provisions of the Exchange Act; (b) permanently restrains and enjoins Panalpina, Inc. from aiding and abetting violations of the books and records and internal controls provisions of the Exchange Act; and (c) orders Panalpina, Inc. to pay disgorgement in the amount of US$11,329,369;

4. Any of the executive officers of the Company, or Mr. Stephan Gussmann, the Company's Head of Government Affairs, and Baker & McKenzie LLP, as legal counsel to the Company, are authorized to negotiate, approve, accept, execute and deliver the Deferred Prosecution Agreement in the form approved by the Board on September 3, 2010 with such revisions thereto as any such officer, or Mr. Gussmann, and Baker & McKenzie shall approve;

5. Any of the executive officers of the Company, or Mr. Gussmann, and Baker & McKenzie LLP, as legal counsel to the Company, are authorized to take any and all actions as may be necessary or appropriate, including but not limited to approving the forms, terms, or provisions of any agreement or other documents to carry out and effectuate the purpose and intent of the foregoing resolutions; and

6. The actions of any of the executive officers of the Company, or Mr. Gussmann, and Baker & McKenzie, as legal counsel to the Company, which actions would have been authorized by the foregoing resolutions, are hereby ratified, confirmed, approved, and adopted as actions on behalf of the Company.

IN WITNESS WHEREOF, I have executed this Certificate on September 3, 2010.

Dr. Rudolf W. Hug
Chairman of the Board of Directors

ATTACHMENT B

STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of (a) the Deferred Prosecution Agreement between the United States Department of Justice, Criminal Division, Fraud Section (the "Department") and Panalpina World Transport (Holding) Ltd. ("PWT"), and (b) the Plea Agreement between the Department and Panalpina, Inc. ("Panalpina U.S.") (hereinafter, collectively referred to as the "Agreements"). The parties hereby agree and stipulate that the following information is true and accurate.

Should the Department pursue the prosecution(s) that is/are contemplated by the Agreements, PWT and Panalpina U.S. agree that they will neither contest the admissibility of, nor contradict, this Statement of Facts in any such proceeding.

If this matter were to proceed to trial, the Department would prove beyond a reasonable doubt, by admissible evidence, the facts alleged below and set forth in the criminal Information filed in this matter. This evidence would establish the following:

Overview

1. At all times relevant to this matter, PWT operated through a network of subsidiaries and affiliates (collectively "Panalpina") as an international freight forwarding and logistics company with business operations throughout the world. Among other things, Panalpina provided end-to-end transportation services for intercontinental air freight and ocean freight shipments. Panalpina also provided customs clearance services which involved overseeing the import and export of the goods and items it shipped. A primary component of Panalpina's operation focused on its oil and gas industry customers that were conducting exploration and drilling operations, on and offshore, in countries around the world. Panalpina operated on six continents, had offices in over 80 countries, branches in more than 38 U.S. states, and as of the end of 2007 employed more than 15,000 people. Panalpina served its oil and gas industry customers, among other customers, through this extensive network of subsidiaries and affiliates.

2. Panalpina engaged in a long-standing practice of paying bribes to "foreign officials" as that term is defined in the Foreign Corrupt Practices Act of 1977, as amended, Title 15, United States Code, Sections 78dd-1 *et seq.* ("FCPA"), for its own benefit and, as an agent, on behalf of its customers. Between in or around 2002 and in or around 2007, Panalpina made thousands of improper payments to foreign officials in at least seven (7) countries, including Angola,

Azerbaijan, Brazil, Kazakhstan, Nigeria, Russia, and Turkmenistan. In certain isolated instances, some improper payments continued as late as June 2009.

3. In total, between in or around 2002 and in or around 2007, Panalpina paid bribes to foreign officials valued at approximately $49 million. Approximately $27 million of that total related to, and was paid on behalf of, customers that were U.S. issuers or "domestic concerns" as that term is defined by the FCPA.

4. The reasons for the payment of the bribes and the schemes used to pay the bribes varied from jurisdiction to jurisdiction and from transaction to transaction, but in certain instances, particularly in Nigeria, the improper payments were paid to foreign customs officials on behalf of its customers to avoid the customs process altogether, to avoid the assessment of proper duties, and/or to avoid penalties for items improperly imported. Panalpina, on behalf of its customers, paid these bribes for various reasons, such as to cause officials to overlook insufficient, incorrect, or false documentation and/or to circumvent the local laws and inspections in order to ship contraband (primarily unauthorized food and clothing, but also included pharmaceuticals, explosives, and hazardous chemicals).

5. In addition, in some instances, the bribes were paid by Panalpina for its own benefit. For example, in isolated instances Panalpina paid bribes to secure

contracts from government entities. In other instances, Panalpina paid bribes to avoid tax audits or tax assessments.

6. To pay the bribes, typically, the local Panalpina entity, where the item or good was being shipped, would pay the bribe locally to the foreign official in cash on behalf of its customer. The local Panalpina entity would then invoice the customer, either directly or through an affiliated Panalpina entity, for the amount of the improper payment along with other legitimate fees associated with the service. Panalpina inaccurately characterized these improper cash payments in a variety of ways, including "local processing fees," "interventions," and "special" charges, when, in fact, the payments were bribes paid to foreign government officials in order to secure an improper benefit for its customers. Many of Panalpina's customers understood these invoices to be bills for bribes paid on their behalf.

7. Panalpina's longstanding violations of the FCPA resulted from a variety of factors, including: (1) an inadequate compliance structure; (2) a corporate culture that tolerated and/or encouraged bribery; (3) involvement of senior corporate management in Switzerland who tolerated the improper payments; (4) involvement of management in the United States and other countries who encouraged the improper payments; and (5) in some instances, pressure from

Panalpina's customers to have services performed as quickly as possible and to secure preferential treatment in obtaining services.

8. A description of the various Panalpina entities' practice of making improper payments, including those in violation of the anti-bribery and books and records provisions of the FCPA, is set forth below.

Relevant Panalpina Entities

9. At all relevant times, PWT was a global holding company located in Basel, Switzerland, and was a "person" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-3(f)(1).

10. Panalpina U.S. was a New York corporation, with its principal place of business in Morristown, New Jersey. Panalpina U.S. was a wholly-owned subsidiary of PWT. Between in or around 2002 and in or around 2007, Panalpina U.S. had 38 branches in several states, including Texas, New Jersey and Michigan. Panalpina U.S.'s primary base of operations for its oil and gas customers was Houston, Texas. Panalpina U.S. was a "domestic concern" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-2(h)(1). Panalpina U.S. provided services to numerous U.S. entities that were issuers as defined by the FCPA, Title 15, United States Code, Section 78dd-1(a). Panalpina U.S.'s issuer-customers were required to make and keep books, records, and accounts which, in

reasonable detail, accurately and fairly reflected the transactions and disposition of the issuer's assets.

11. Panalpina Transportes Mundiais, Navegação e Transitos, S.A.R.L. ("Panalpina Angola"), an Angolan corporation, with its principal place of business in Luanda, Angola, was a majority-owned subsidiary and agent of PWT.

12. Panalpina Azerbaijan LLC ("Panalpina Azerbaijan"), an Azerbaijani corporation, with its principal place of business in Baku, Azerbaijan, was a wholly-owned subsidiary and agent of PWT.

13. Panalpina Limitada ("Panalpina Brazil"), a Brazilian corporation, with its principal place of business in São Paulo, Brazil, was a wholly-owned subsidiary and agent of PWT.

14. Panalpina Kazakhstan LLP ("Panalpina Kazakhstan"), a Kazakh corporation, with its principal place of business in Almaty, Kazakhstan, was a wholly-owned subsidiary and agent of PWT.

15. Panalpina World Transport (Nigeria) Limited ("Panalpina Nigeria"), a Nigerian corporation, with its principal place of business in Lagos, Nigeria, was a majority-owned subsidiary and agent of PWT until in or around 2008.

16. Panalpina World Transport Limited (Russia) ("Panalpina Russia"), a Russian corporation, with its principal place of business in Moscow, Russia, was a wholly-owned subsidiary and agent of PWT.

17. Panalpina World Transport Limited (Turkmenistan) ("Panalpina Turkmenistan"), a Turkmen corporation, with its principal place of business in Turkmenbashi, Turkmenistan, was a wholly-owned subsidiary and agent of PWT.

Relevant Panalpina U.S. Issuer-Customers

18. Customer A was a global energy and petrochemical company with its headquarters in The Hague, The Netherlands. Customer A operated throughout the world through a number of subsidiaries and affiliates. Customer A and its subsidiaries and affiliates, including a Nigerian subsidiary, are collectively referred to herein as "Customer A." Customer A's American Depository Receipts were registered with the U.S. Securities and Exchange Commission (the "SEC") pursuant to Section 12(b) of the Securities and Exchange Act, Title 15, United States Code, Section 78l ("the Exchange Act") and were publicly traded on the New York Stock Exchange. Accordingly, Customer A was an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a). By virtue of its status as an issuer within the meaning of the FCPA, Customer A was required to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the transactions and disposition of its assets.

19. Customer B was an operator of offshore service and supply vessels designed to support all phases of offshore energy exploration, development and production throughout the world. Customer B was a Delaware corporation with its

headquarters in New Orleans, Louisiana. Customer B operated throughout the world through a number of subsidiaries and affiliates. Customer B and its subsidiaries and affiliates, including its Nigerian subsidiary, are collectively referred to herein as "Customer B." Customer B issued and maintained a class of publicly traded securities that were registered pursuant to Section 12(b) of the Exchange Act, Title 15, United States Code, Section 78l, and publicly traded on the New York Stock Exchange. Accordingly, Customer B was an "issuer" within the meaning of the FCPA, Title 15, United States Code, Section 78dd-1(a). By virtue of its status as an issuer within the meaning of the FCPA, Customer B was required to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflected the transactions and disposition of its assets.

Panalpina's Bribery in Specific Countries

20. As described below, Panalpina paid bribes on behalf of customers and for the direct benefit of Panalpina.

Nigeria

21. Between in or around 2002 and in or around 2007, Panalpina Nigeria used approximately 160 different terms to capture the methods used by the company to pay bribes in Nigeria relating to the customs process. To name just a few, these terms included, "CPC Processing," "Customs Intervention," "Evacuations," "Export Formalities," "Local Handling," "Manifest," "Operational

Expenses," "Pre-releases," "Special Handling," "TI Bond Assessment," and "TI Bond Cancellation." All of the terms were used internally at Panalpina to discuss improper payments. The terms were also used externally to invoice customers for the improper payments that were paid on behalf of the customers.

22. The bribes paid by Panalpina relating to the customs process were paid to officials in the Nigerian Customs Service ("NCS"), a Nigerian government agency within the Ministry of Finance of the Federal Republic of Nigeria. The NCS was responsible for assessing and collecting duties and tariffs on goods imported into Nigeria. The NCS was an agency and instrumentality of the Government of Nigeria and its employees were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

23. Although the terms that were used to describe the bribes varied, the improper payments could be grouped into categories: (1) Pancourier; (2) Temporary Import Permits payments; (3) "special" and other bribe payments; and (4) recurring payments to government officials. Each of these categories is discussed below in greater detail. The largest number of individual payments fell into the "special" category. Panalpina Nigeria paid thousands of the "special" payments on behalf of customers that ranged in value from *de minimis* amounts to

several thousands of dollars per transaction.[1] The overall largest category of payments, accounting for the largest amount of bribes, related to securing Temporary Importation Permits on behalf of its customers. Those bribes ranged in value from $5,000 to over $75,000 per transaction.

24. In total, between in and or around 2002 and in or around 2007, Panalpina Nigeria paid over $30 million in improper payments to Nigerian government officials. Most of the payments were paid to NCS officials.

25. The following is a brief description of the four primary categories of payments and a description of a payment made to Nigerian government officials to secure a government contract.

Nigeria: Pancourier Payments

26. Pancourier was the trade name of Panalpina's "express courier service" for shipments into Nigeria. Pursuant to Nigerian law, to import items into Nigeria, goods were required to be accompanied by paperwork reflecting the nature of the item being shipped, the value of the item, and the weight. The item also was subject to an inspection process to confirm the information on the paperwork was accurate.

27. Panalpina advertised its Pancourier service as a door-to-door courier service that would expedite the delivery of goods and equipment. In fact,

[1] For purposes of this Statement of Facts payments made in local currencies have been converted to U.S. dollars.

Panalpina's Pancourier service was a system whereby Panalpina Nigeria paid regular improper payments in cash to NCS officials to avoid the customs process altogether or otherwise secure preferential, expedited customs clearance services from the local officials.

28. Panalpina Nigeria's customers that wanted preferential, expedited clearance or that sought to import goods or contraband into Nigeria without complying with Nigerian customs law routinely shipped commercial products into Nigeria through Pancourier instead of the normal Panalpina shipping process. Panalpina Nigeria charged its customers a premium for this service and explained that no government receipt or paperwork would be available from NCS for the goods that were imported. Further, Panalpina typically billed its customers for two separate charges. The first charge was based on the weight of the shipment, the second charge was a "special" fee. Typically, the "special fee" was described on the invoices as a "local processing fee" and/or "administrative/transport fees." The fees were lump sum payments often valued at $5,000 or more per invoice.

29. Between in or around 2002 and in or around 2007, Panalpina Nigeria made hundreds of improper payments on behalf of its customers through the expedited Pancourier service.

Nigeria: "Special" and Other Improper Payments

30. In Nigeria, in addition to the Pancourier service, Panalpina also offered its standard freight forwarding and shipping service. For standard Panalpina freight forwarding and shipping, once the goods arrived at their destination, a Panalpina Nigeria employee would ensure that the goods cleared customs. The clearance process typically required the submission of documents, an inspection of the product being shipped, and the payment of any customs and other fees associated with the importation of that product.

31. The goods shipped by Panalpina frequently encountered delays in clearing customs for various reasons, including insufficient or missing documentation or delays caused by the legally required inspection process. Due to the customers' perceived urgency of their projects for which some goods were being shipped, Panalpina Nigeria's customers often sought to avoid local customs and import laws and processes. In order to circumvent these legally mandated processes, or to obtain other improper advantages for its customers, Panalpina Nigeria made improper cash payments to local government officials, including NCS employees, in order to, among other things, expedite customs clearance, avoid the required cargo inspections, avoid fines, duty payments, and tax payments, or to circumvent permit requirements or other legal requirements.

32. The term "special" in combination with a variety of other terms, such as "special handling," "special intervention," and "special charge," was typically used by Panalpina Nigeria to refer to the cash payments that were paid to NCS officials to secure the expedited processing of customs paperwork or otherwise obtain an improper advantage for its customers.

33. The terms "intervention" or "evacuation" typically were used by Panalpina Nigeria to refer to cash payments that were paid to NCS officials to avoid the Nigerian regulations and to resolve a problem or dispute that involved an immigration or customs matter due to incomplete, inaccurate, or late documentation.

34. The term "pre-release" was a legitimate Nigeria customs process that could be utilized to secure an expedited release of goods from the NCS. The process typically required a pre-inspection and the completion of paperwork prior to the item being shipped to Nigeria. By paying bribes to the NCS officials, Panalpina Nigeria secured improper "pre-releases" on behalf of its clients without complying with the legal and regulatory requirements associated with this regime or paying the appropriate customs duties.

35. Between in or around 2002 and in or around 2007, Panalpina Nigeria paid thousands of improper payments on behalf of its customers to resolve the types of customs and immigration matters described above.

Nigeria: Temporary Import Permits Payments

36. Another service offered by Panalpina Nigeria involved obtaining Temporary Import Permits ("TIPs") for oil and gas industry customers that imported rigs, ships, workboats, and other vessels into Nigerian waters. Under Nigerian law, customs duties generally were required to be paid for vessels imported into Nigeria. During the relevant time, the customs duties assessed to permanently import a vessel into Nigerian waters were approximately 10-11% of the total value of the vessel. In the alternative, under Nigeria law, companies were allowed to import vessels on a temporary basis and no customs duties would be assessed. If temporarily importing a vessel, the company only had to post a bond with the Nigerian government in the event there was an accident during operations. Assuming no adverse events occurred, the bond would be returned to the company once the vessel was exported.

37. Vessels could be imported on a temporary basis, and not be assessed customs duties, only if the vessel was considered a high valued piece of special equipment that was not available for sale in Nigeria, was being imported only temporarily, and was intended to be exported. If these requirements were met, a company, through a customs agent, could apply for a TIP. Nigerian law also allowed companies, through a customs agent, to apply for up to two or three six-

month extensions (known as "TIP extensions") and no customs duties would be assessed for the extensions.

38. Significantly, items imported under a TIP (or TIP extensions) could not remain in Nigeria longer than the period allowed for by the TIP or TIP extensions. Upon the expiration of the TIP (and related TIP extensions), the owner/operator could either choose to permanently import the rig, ship, or other vessel (known as "nationalizing" the vessel) or export the vessel and re-import it and obtain a new initial TIP. The failure to export the rig, ship, or other vessel after the TIP expired could result in Nigerian penalties of up to six-times the cost of the vessel.

39. Panalpina Nigeria, as a customs agent, could apply for TIPs and TIP extensions on behalf of its customers. Panalpina Nigeria provided this service to many of its oil and gas industry customers that owned and/or operated oil rigs, ships, barges, and other vessels. These customers included international oil and gas companies, oil and gas drilling contractors, vessel fleet owners, and engineering companies. Each of these companies either directly or indirectly imported rigs, ships, or other vessels to support their off-shore drilling operations in Nigerian waters. Panalpina Nigeria routinely made improper payments to NCS officials to secure both initial TIPs and TIP extensions on behalf of its customers. The purpose of the improper payments for the initial TIPs included speeding up the

process of obtaining the permits or, at times, to cause the NCS officials to overlook defects in the paperwork. The purpose of the improper payments for the TIP extensions typically was to overlook defects in the paperwork, to overlook the fact that the customers had not properly moved their rig consistent with local rules, or to extend the TIP beyond the legally authorized time period.

40. Panalpina Nigeria also made improper payments to NCS officials on behalf of its customers to secure a new initial TIP after the original TIP, and related TIP extensions, expired. This process was commonly referred to as "TIP recycling" or the "paper process." The purpose of the payments associated with the paper process was to avoid complying with the regulations that required the export/re-import of a vessel or the nationalization of a vessel upon the expiration of the TIP. The primary benefit to the customers that resulted was the money saved from not having to remove the vessel from Nigerian waters or, in the alternative, the cost associated with permanently importing the rig (which was approximately 10% of the rig value). However, by not exporting the rig and then re-importing the rig, companies also avoided inspections of the vessel and avoided having to post appropriate bonds to the Nigerian government.

41. To obtain the new initial TIP through the TIP paper process scheme, Panalpina Nigeria and its customers routinely created false and fictitious documents that indicated that the vessels were exported out of Nigerian waters and

re-imported when, in fact, the vessels never moved. Panalpina Nigeria employees then provided bribes to customs officials, including members of the NCS, the Port Authority, and other government employees to overlook the defects in the paperwork. Panalpina referred to these payments as "interventions" or "special handling fees" among other terms.

42. The improper cash payments to Nigerian government officials for the initial TIPs, the TIP extensions, and the TIP recycling ranged from $5,000 to $75,000 per transaction for each rig, ship, and other vessel. Between in or around 2002 and in or around 2007, Panalpina Nigeria paid over a hundred improper payments on behalf of their customers for the TIPs and TIP extensions, and recorded the payments as official payments to the NCS.

Nigeria: Recurring Payments to Government Officials

43. Panalpina Nigeria made improper payments to a wide variety of Nigerian officials, including, but not limited to, NCS officials, Port Authority officials, Maritime Authority officials, Police officials, Department of Petroleum officials, Immigration Authority officials, and National Authority for Food and Drug Control officials. Most of these improper payments were tied to specific transactions, however, Panalpina Nigeria also provided certain officials weekly or monthly allowances to ensure the officials would provide preferential treatment to Panalpina and its customers. Between in or around 2002 and in or around 2007,

Panalpina Nigeria made hundreds of improper weekly and monthly payments to Nigerian government officials.

Nigeria: Payment to Secure a Nigerian Government Contract

44. Beginning in or around November 2003 and continuing until in or around August 2005, Panalpina agreed to pay $50,000 to a National Petroleum Investment Management Services official (the "NAPIMS Official") to receive preferential treatment in its attempt to secure a logistics contract for a joint venture project operated by a major oil company and the Nigerian government-owned National Petroleum Corporation ("NNPC"). NNPC is the state-owned oil company, and NAPIMS is a component of NNPC that supervises and manages Nigeria's investment in the oil and gas industry.

45. NNPC was an agency and instrumentality of the Government of Nigeria and its employees were "foreign officials," within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). As a part of its oversight function, NAPIMS officials had the authority to approve or disapprove logistics contracts awarded for joint ventures projects. NAPIMS employees were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

46. In or around May 2005 and continuing until in or around August 2005, Panalpina Nigeria, Panalpina U.S., and Switzerland-based employees

discussed and authorized a $50,000 cash payment to the NAPIMS Official to secure the logistics contracts. Panalpina Nigeria caused the $50,000 payment to be made to the NAPIMS Official in cash and then sent invoices from Nigeria to its affiliated entities, including Panalpina U.S., to be reimbursed for the payment.

Angola

47. Between in or around 2002, and continuing until in or around 2008, Panalpina Angola paid approximately $4.5 million in bribes to Angolan government officials. The improper payments generally related to two categories of payments: (1) customs and immigration matters for its customers, and (2) to secure contracts for Panalpina Angola with the Angolan government. The following is a brief description of both categories of payments.

Angola: Customs and Immigration Payments

48. In Angola, the terms "Special Intervention" or "SPIN" were typically used by Panalpina Angola and its customers to refer to improper cash payments paid to Angolan government officials responsible for customs and immigration matters. These officials were "forcign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

49. The purpose of the payments was to cause such officials to: overlook incomplete or inaccurate documentation; avoid levying proper customs duties; or avoid imposition of fines relating to the failure of Panalpina Angola, or its

customer, to comply with legal requirements. Although the customers were frequently invoiced for a "SPIN" payment, these payments were also referred to as "agency fees," "special arrangement fees," and "emergency" payments. In each instance, the customer was advised that this was a cash payment and no receipt or government paperwork supported the payment.

50. Between in or around 2002 and in or around 2007, Panalpina Angola paid hundreds of SPIN payments to Angolan government officials. The value of the payments ranged from *de minimis* amounts to $25,000 per transaction.

Angola: Payments to Secure Contracts

51. Beginning in or around December 2006, and continuing until in or around March 2008, Panalpina Angola paid over $300,000 to Angolan government officials responsible for Angolan oil and gas operations to secure two separate logistics contracts. These officials were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). The Angolan government officials assigned to particular government-monitored projects had the authority to approve or disapprove the retention of logistics companies to provide services for those projects.

52. Beginning in or around December 2006, Panalpina Angola made at least three separate payments to Angolan government officials responsible for Angolan oil and gas operations valued at $40,000, $40,000, and $75,000, to secure

a two-year exclusive logistics contract. Panalpina Angola used a portion of its profits from the contract to pay such Angolan government officials.

53. Beginning in or around 2006, and continuing until in or around March 2008, Panalpina Angola made quarterly payments valued at $30,000 to another Angolan government official responsible for Angolan oil and gas operations contracts to secure a separate exclusive logistics contract. To generate cash to pay this official, Panalpina Angola invoiced an Angolan government-controlled entity for a non-existent employee (referred to as the "ghost employee") who was allegedly dedicated to the Angolan entity to work on the logistics for the particular project. Panalpina Angola used the money that was paid for the ghost employee to make cash payments to the Angolan government official.

54. In 2008, the schemes were discovered by Panalpina's counsel during the course of the internal investigation. Thereafter, the payments were stopped.

Azerbaijan

55. Between in or around 2002 and in or around 2007, Panalpina Azerbaijan paid approximately $900,000 in bribes to Azeri government officials responsible for assessing and collecting duties and tariffs on imported goods. These officials were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). The purpose of many of the bribes paid to the Azeri government officials was to cause these

officials to overlook incomplete or inaccurate documentation; avoid levying proper customs duties; or avoid imposition of fines relating to the failure of Panalpina, or its customer, to comply with legal requirements. In addition, Panalpina also made bribe payments to Azeri tax officials to secure preferential treatment from Azerbaijan tax officials for Panalpina Azerbaijan. These officials were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

Brazil

56. Between in and or around 2002 and in or around 2007, Panalpina Brazil paid over $1 million in bribes to Brazilian government officials responsible for assessing and collecting duties and tariffs on imported goods on behalf of its customers. These officials were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). Panalpina Brazil made improper payments to these Brazilian government officials on behalf of its customers in order to expedite the customs clearance process and, where necessary, to resolve customs and import-related issues. Many of the improper payments made by Panalpina Brazil on behalf of its customers were in connection with shipments originating with Panalpina U.S. and were shipped from the United States to Brazil.

57. The purpose of many of the bribes paid to the Brazilian government officials was to cause officials to: expedite the customs clearance process; avoid the imposition of fines and penalties; circumvent Brazilian law requirements for customs declaration of courier shipments; permit shipments to be imported in Brazil without an import license; and allow exports from Brazil of goods originally imported without accurate and complete documentation.

Kazakhstan

58. Between in or around 2002 and in or around 2007, Panalpina Kazakhstan paid over $4 million in bribes to Kazakh government officials including, for example, payments to Kazakh government officials responsible for assessing and collecting duties and tariffs on imported goods and officials responsible for administering and enforcing Kazakhstan tax policy. These officials were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). The purpose of many of the bribes paid to the Kazakh government officials was to cause officials to overlook incomplete or inaccurate documentation; avoid levying proper customs duties; and avoid imposition of fines relating to the failure of Panalpina, or its customer, to comply with legal requirements.

59. These payments were euphemistically referred to as "sunshine" or "black cash" by officers and employees of Panalpina. Ultimately, these cash

payments were invoiced to Panalpina's customers as various line items, including "expedited customs clearance" or "special handling." The payments ranged from several hundred dollars to $50,000 per transaction.

60. In addition to the customs-related payments, Panalpina Kazakhstan paid Kazakhstan officials responsible for administrating Kazakhstan tax policy in conjunction with its annual tax audits to minimize the duration and depth of the audits as well as to reduce proposed fines.

Russia

61. Between in or around 2002 and in or around 2007, Panalpina Russia paid over $7 million in bribes to Russian government officials responsible for assessing and collecting duties on imported goods. These officials were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A). The purpose of many of the bribes paid to the Russian government officials was to avoid delays, administrative fines, and other legal action as a result of missing, incomplete or erroneous documentation; to avoid problems arising out of the improper use of a temporary import permit; and to bypass the customs process in total.

Turkmenistan

62. Between in or around 2002 and in or around 2009, Panalpina Turkmenistan paid over $500,000 in cash bribes to: (i) Turkmen government

officials responsible for assessing and collecting duties and tariffs on imported goods in order to expedite the release of shipments and undocumented shipments and to circumvent the official Turkmen customs and immigration regulations; (ii) Turkmen government officials responsible for auditing, assessing, and collecting taxes on economic activity in Turkmenistan to minimize the duration of audits and investigations and to reduce proposed fines; and (iii) Turkmen government officials responsible for enforcing Turkmenistan labor, health, and safety laws, including through the use of audits and inspections, to minimize the duration of audits and investigations and to reduce the proposed fines. These officials were "foreign officials" within the meaning of the FCPA, Title 15, United States Code, Sections 78dd-2(h)(2)(A) and 78dd-3(f)(2)(A).

63. In or around June 2009, the improper payments were stopped after counsel discovered them during the course of the internal investigation.

Panalpina U.S.'s Assistance to its Issuer-Customers in Circumventing Books and Records Controls

64. Pursuant to the FCPA, issuers are required to keep accurate books, records, and accounts which reflect fairly the transactions entered into by companies and the disposition of their assets. Issuers are corporate entities that either are required to file reports with the SEC under Section 15(d) of the Exchange Act, Title 15, United States Code, Section 78f, or have securities registered with the SEC under Section 12 of the Exchange Act. Between in or

around 2002 and in or around 2007, Panalpina U.S. provided services to over 40 customers that were issuers. In total, Panalpina paid approximately $27 million in bribes to foreign officials on behalf of these issuer-customers.

65. An issuer may not knowingly circumvent internal controls or knowingly falsify any book, record, or account. Many of Panalpina U.S.'s issuer-customers knew, or were aware of facts indicating a high probability, that Panalpina was paying bribes on their behalf. Further, those issuer-customers with knowledge of the bribe payments failed to properly record the payments in their books and records.

66. Many of Panalpina's issuer-customers were aware of the bribes paid by Panalpina. Importantly, those issuer-customers with strong compliance programs or rigorous audit standards were either not offered services such as Pancourier, which included improper payments to government officials, or Panalpina paid bribes on the issuer-customer's behalf but would not invoice the issuer-customer for the payment.

67. Panalpina U.S., through the local Panalpina affiliates, knowingly and substantially assisted the issuer-customers in violating the FCPA's books and records provisions by masking the true nature of the bribe payments in the invoices submitted to the issuer-customers. By providing an invoice to the issuer-customer for what appeared to be a legitimate payment, the customer could use that invoice

as support for recording a particular charge as a legitimate service in its corporate books and records when, in fact, the invoice was for a bribe.

68. For example, Customer A employees in Nigeria specifically requested Panalpina Nigeria to provide false invoices with line items to mask the nature of the bribes. In or around early 2004, certain Customer A employees were explicitly advised that in Nigeria the term "local processing fee" on Pancourier invoices represented un-receipted bribes paid to NCS officials. Customer A wanted to continue to use the Pancourier service to ensure faster shipments, but wanted to hide the nature of the payments to avoid suspicion if anyone audited the invoices to determine if improper payments had been made. Concerns existed that the term "local processing fee" was too vague and could give rise to suspicions about the nature of the payments. For that reason, in or around August 2004, a Customer A employee met with Panalpina Nigeria employees in Nigeria and told them to re-submit its prior invoices that contained the term "local processing fee" and replace the term with "administration/transport charges." Panalpina Nigeria followed this instruction and, thereafter, Customer A paid a portion of its outstanding invoices and subsequent invoices that contained the term "administration/transport charges."

69. Customer B's employees in Nigeria authorized payments for bribes paid to secure "TIP interventions" and received and paid invoices from Panalpina

Nigeria as "back-up" for the payments despite the knowledge that the invoices did not accurately reflect the purpose of the payments.

Panalpina's Corporate Culture and Senior Management Knowledge

70. As described above, corruption occurred at all levels within Panalpina and within many countries. Prior to 2007 a culture of corruption within Panalpina emanated from senior level management in Switzerland who tolerated bribery as business as usual in various markets. This trickled down to other Panalpina employees who accepted bribery as a part of Panalpina's standard business practice.

71. High-level knowledge of undocumented payments reached the Committee of the Board of Directors. Board Member A (the "Board Member"), a Swiss citizen, was the longstanding PWT Chairman until in or around 2007. In March 2001, the Board Member was advised by PWT's outside auditor that a Panalpina entity in Central Asia was making undocumented payments. As a result of the initial outside audit report, during the 2001 PWT Board of Directors Committee meeting, PWT's outside auditor recommended the adoption of a basic "Code of Ethics" that included anti-bribery provisions. The Board Member actively resisted the outside auditor's proposal to implement the compliance code, and the Board of Directors declined to adopt one during the Board meeting or

during subsequent Board meetings over the next several years. As a result no compliance code was implemented at that time.

72. Further, in or around 2003 and in or around 2006, the Board Member commented during corporate meetings on Panalpina's practice of paying foreign government officials. For example, the Board Member stated: "payments to officials in order to accelerate official processes are locally used and can be limited but not entirely eliminated" and in late 2006 during a risk mapping meeting said: "some risks may sound dramatic if looked at by a person who is not familiar with Panalpina's business and common practice in certain countries."

73. In or around 2005, PWT eventually implemented a business code known as the Swiss Code of Best Practices, a corporate governance guideline devised by the Swiss Stock Exchange, and in late 2006 following the risk map review adopted a Code of Business Conduct. However, PWT subsequently failed until 2007 to enforce the Code of Business Conduct, train employees on compliance, regularly audit payments made to foreign officials, or otherwise attempt to ensure that Panalpina was not making improper payments in order to obtain or retain government business or to gain an improper advantage.

74. The general acceptance of paying bribes as "business as usual" permeated the corporate culture until 2007. Dozens of employees throughout the Panalpina organization were involved in various schemes to pay bribes to foreign

officials. This included certain Panalpina U.S. employees and former employees, such as managers and employees with direct responsibility for oil and gas industry customers. Many of the employees openly used the terms "apples," interventions," "special handling," and "evacuations" on a daily basis in conversations, written correspondence, and email exchanges. Most of the employees understood that these terms referred to cash payments provided to government officials in exchange for preferential treatment.

75. Knowledge of the payment of bribes and the improper nature of certain Panalpina practices was widely known within Panalpina. For example, on or about June 21, 2006, a Panalpina U.S. Global Account Manager for the Oil & Gas Business, sent an email to a Panalpina U.S. Vice President and Business Unit Manager ("Vice President"), a Panalpina U.S. Regional Procurement Manager, a former Panalpina U.S. Airfreight Export Manager and a Panalpina U.S. Account Manager. The email discussion was prompted by a customer's request for information about the cost difference between services provided via the Pancourier service and Panalpina U.S.'s standard freight forwarding service in Nigeria. The Global Account Manager wrote to the other senior Panalpina U.S. employees that he would explain to the customer that the "only difference" was "the extra cost for Pancourier to circumvent the Form M and inspection process," but that all of the duties would still be paid and paperwork submitted to customs. The proposed

explanation to be provided to the customer was purposefully misleading since the extra cost was actually associated with the bribes paid to the NCS officials. The other senior Panalpina U.S. employees on the email chain knew, or should have known, of the improper nature of the Pancourier service because the Global Account Manager ended the email with, "I am not sure what I will say if they point blank ask me if it [Pancourier] is still illegal."

76. Another senior Panalpina U.S. employee who was the Regional Head of the Oil & Gas Business Unit ("Senior Oil & Gas Employee") was intimately involved, aware, and authorized the use of bribe payments on behalf of Panalpina U.S.'s customers and oversaw and directed the use of false invoices for the benefit of customers. For example, on or about May 17, 2006, the Senior Oil & Gas Employee sent an email from Nigeria, to the Panalpina U.S. Vice President, located in Houston, Texas, explaining the process for paying and masking bribes in Nigeria. The employee wrote, "FCPA – I can tell you how I manage this issue if you need. This is significant as [issuer-customer] is under ongoing scrutiny by the American government. Functionally, for us, it means knowing how to bill charges." The Senior Oil & Gas Employee further wrote that, "[i]t is simple really" and explained that what he had done for another American company in the past was to charge a "flat" fee for services to hide the "manipulation" payments that were paid to the government officials.

77. Moreover, one of Panalpina U.S.'s senior attorneys (the "Counsel"), who has since departed the Company, had knowledge that bribe payments were paid and did not divulge this information to certain customers when they began to question charges. For example, on or about November 23, 2005, the Counsel was advised by a Switzerland-based employee that a customer was questioning a $40,000 invoice for services provided in Nigeria. The employee explained that the $40,000 that was paid to the customs office was equal to "40% of the official customs duties = in lieu of those customs duties." Despite this knowledge, the Counsel continued to seek reimbursement from the customer for outstanding payments (although not related to this invoice) and further did not disclose to the customer his knowledge of the improper payment that was made to avoid the payment of the official customs duties.

78. Shortly thereafter, on or about June 28, 2006, the Counsel advised Panalpina U.S.'s Chief Executive Officer, who has since departed the Company, that due to some requests by certain Oil & Gas customers concerning Panalpina's ethics and compliance, the Counsel had created two compliance policies to be distributed internally; however, the Counsel noted that "Ok- keep in mind, there is a big difference between adoption of the policy and active enforcement. Mere adoption is a great defense in a government investigation."

79. On or about July 6, 2006, the Counsel attended a customer meeting to discuss the customer's questioning of a proposed $50,000 un-receipted cash payment to be made to a Nigerian customs official. The Counsel advised the customer and the customer's in-house counsel that the payment could be categorized as a "facilitating payment" under the FCPA to expedite customs services and raised with the customer some, but not all, "red flags" associated with the payment. Internally, the Counsel advised PWT employees in Switzerland that there were numerous factors that evidenced that the payment was, in fact, a bribe and not a facilitating payment. The Counsel explained: "First, the payments are made in cash. Second there is no receipt. Third, the size of the payment is troublesome." Further, the Counsel explained that he understood that the payment was "delivered to the customs officer in cash (note: this is a payment to the officer personally, not to an official department or agency)" and that Panalpina employees had "been informed that this sum is then re-distributed internally" to various customs employees.

80. It was not until March 2007 that a revised Code of Conduct was disseminated to employees that specifically banned "intervention payments" on behalf of Panalpina's customers. Although many improper payments began to dissipate as the compliance program was rolled out, some improper payments

continued to be paid by employees up to and until June 2009, almost two-and-a-half years after the inception of the Department's investigation of Panalpina.

ATTACHMENT C

CORPORATE COMPLIANCE PROGRAM

In order to address deficiencies in its internal controls, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Sections 78dd-1, *et seq.*, and other applicable anti-corruption laws, Panalpina World Transport (Holding) Ltd., and its subsidiaries (collectively, "Panalpina" or the "Company") agree to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, Panalpina agrees to adopt new or to modify existing internal controls, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that Panalpina makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anti-corruption compliance code, standards, and procedures designed to detect and deter violations of the FCPA and other applicable anti-corruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of the Company's existing internal controls, policies, and procedures:

1. Panalpina will develop and promulgate a clearly articulated and visible corporate policy against violations of the FCPA, including its anti-bribery,

books and records, and internal controls provisions, and other applicable foreign law counterparts (collectively, the "anti-corruption laws"), which policy shall be memorialized in a written compliance code.

2. Panalpina will ensure that its senior management provides strong, explicit, and visible support and commitment to its corporate policy against violations of the anti-corruption laws and its compliance code.

3. Panalpina will develop and promulgate compliance standards and procedures designed to reduce the prospect of violations of the anti-corruption laws and Panalpina's compliance code, and Panalpina will take appropriate measures to encourage and support the observance of ethics and compliance standards and procedures against foreign bribery by personnel at all levels of the company. These anti-corruption standards and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of Panalpina in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"), to the extent that agents and business partners may be employed under Panalpina's corporate policy. Panalpina shall notify all employees that compliance with the standards and procedures is the duty

of individuals at all levels of the company. Such standards and procedures shall include policies governing:

a. gifts;

b. hospitality, entertainment, and expenses;

c. customer travel;

d. political contributions;

e. charitable donations and sponsorships;

f. facilitation payments; and

g. solicitation and extortion.

4. Panalpina will develop these compliance standards and procedures, including internal controls, ethics, and compliance programs on the basis of a risk assessment addressing the individual circumstances of the Company, in particular the foreign bribery risks facing the Company, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in the company's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

5. Panalpina shall review its anti-corruption compliance standards and procedures, including internal controls, ethics, and compliance programs, no less

than annually, and update them as appropriate, taking into account relevant developments in the field and evolving international and industry standards, and update and adapt them as necessary to ensure their continued effectiveness.

6. Panalpina will assign responsibility to one or more senior corporate executives of Panalpina for the implementation and oversight of Panalpina's anti-corruption policies, standards, and procedures. Such corporate official(s) shall have direct reporting obligations to independent monitoring bodies, including internal audit, Company's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

7. Panalpina will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts to ensure that they cannot be used for the purpose of foreign bribery or concealing such bribery.

8. Panalpina will implement mechanisms designed to ensure that its anti-corruption policies, standards, and procedures are communicated effectively to all directors, officers, employees, and, where appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors, officers, and employees, and, where necessary and appropriate, agents and

business partners; and (b) annual certifications by all such directors, officers, and management employees, and, where necessary and appropriate, agents, and business partners, certifying compliance with the training requirements.

9. Panalpina will maintain, or where necessary establish, an effective system for:

a. Providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with Panalpina's anti-corruption compliance policies, standards, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which the company operates;

b. Internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where necessary and appropriate, agents and business partners, not willing to violate professional standards or ethics under instructions or pressure from hierarchical superiors, as well as for directors, officers, employees, and, where appropriate, agents and business partners, willing to report breaches of the law or professional standards or ethics concerning anti-corruption occurring within the company, suspected criminal conduct, and/or violations of the compliance policies, standards, and procedures regarding the anti-corruption laws for directors, officers, employees, and, where necessary and appropriate, agents and business partners; and

c. Responding to such requests and undertaking appropriate action in response to such reports.

10. Panalpina will institute appropriate disciplinary procedures to address, among other things, violations of the anti-corruption laws and Panalpina's anti-corruption compliance code, policies, and procedures by Panalpina's directors, officers, and employees. Panalpina shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, ethics, and compliance program and making modifications necessary to ensure the program is effective.

11. To the extent that the use of agents and business partners is permitted at all by Panalpina, it will institute appropriate due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

a. Properly documented risk-based due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;

b. Informing agents and business partners of Panalpina's commitment to abiding by laws on the prohibitions against foreign bribery, and of

Panalpina's ethics and compliance standards and procedures and other measures for preventing and detecting such bribery; and

c. Seeking a reciprocal commitment from agents and business partners.

12. Where necessary and appropriate, Panalpina will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anti-corruption laws, which may, depending upon the circumstances, include: (a) anti-corruption representations and undertakings relating to compliance with the anti-corruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of anti-corruption laws, and regulations or representations and undertakings related to such matters.

13. Panalpina will conduct periodic review and testing of its anti-corruption compliance code, standards, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anti-corruption laws and Panalpina's anti-corruption code, standards and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT D

CORPORATE COMPLIANCE REPORTING

1. Due to Panalpina World Transport (Holding) Ltd.'s ("PWT"), and its subsidiaries and affiliates, including Panalpina, Inc. ("Panalpina U.S."), (collectively, "Panalpina" or the "Company"), history of compliance issues, participation in high-risk markets, and violations of the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Sections 78dd-1, *et seq.,* and other applicable anti-corruption laws, Panalpina agrees that it will jointly self-report to the Department periodically as described below during the term of the PWT Deferred Prosecution Agreement (the "Agreement"), regarding: the implementation of the compliance activities described in Attachment C and additional undertakings described below.[1]

2. During the Term of the PWT Deferred Prosecution Agreement, Panalpina shall (a) submit an initial report, and (b) conduct and prepare at least three annual reviews and reports, as described below. The reports shall be transmitted to Deputy Chief-FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 10th and Constitution Ave., N.W., Bond Building, Fourth

[1] Pursuant to Paragraph 4 of the Agreement, the Agreement is effective for "a period beginning on the date it is accepted by the United States District Court for the Southern District of Texas, and ending three (3) years and seven (7) calendar days from that date (the 'Term')."

Floor, Washington, D.C., 20530. Panalpina may extend the time period for the submission of a report with prior written approval of the Department.

a. Initial Report. Panalpina shall submit to the Department a written report within 120 calendar days of the signing of this Agreement setting forth:

i. A description of its remediation efforts to date;

ii. Its proposals reasonably designed to improve the internal controls, policies, and procedures of Panalpina for ensuring compliance with the FCPA and other applicable anticorruption laws, and with the terms and conditions of the PWT Deferred Prosecution Agreement and the Panalpina U.S. Plea Agreement, including detailed work plans;

iii. A description of the proposed scope of the subsequent reviews; and

iv. Information relating to the work completed pursuant to the Panalpina "Remaining Countries Investigations Plan" dated December 2, 2009 ("Panalpina Countries Investigation Plan").[2]

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[2] The Panalpina Remaining Countries Investigation Plan contemplates the completion of investigations by PWT, in coordination with counsel, in four countries: Congo, Mexico, India, and Saudi Arabia. Prior investigations relating to conduct in Angola, Brazil, Kazakhstan, Russia, Nigeria, Azerbaijan, Turkmenistan, the United States, and Switzerland have been completed.

b. Annual Reports. Panalpina shall undertake at least three follow-up reviews and prepare a report to further monitor and assess whether the policies and procedures of Panalpina are reasonably designed to detect and prevent violations of the FCPA and other applicable anticorruption laws. The annual reports shall incorporate any comments provided by the Department on the initial report. The annual reports shall also include information relating to the work completed pursuant to the 2010 Panalpina Compliance Work Plan.[3]

c. The first follow-up report shall be submitted no later than one year after the Term of the Deferred Prosecution Agreement commences. The second follow-up report shall be submitted no later than two years after the Term of the Deferred Prosecution Agreement commences. The third report shall be submitted not later than three years after the Term of the Deferred Prosecution Agreement commences.

3. During the Term of the PWT Deferred Prosecution Agreement, should Panalpina discover credible evidence, not already reported to the Department, that questionable or corrupt payments or questionable or corrupt transfers of property or interests may have been offered, promised, paid, or authorized by any Panalpina entity or person, or any entity or person working directly for Panalpina, or that

[3] The 2010 Panalpina Compliance work plan contemplates compliance assessments to be conducted in 23 countries in 2010, and compliance assessments in approximately 12 to 20 additional countries in both 2011 and 2012.

related false books and records have been maintained, Panalpina shall report such conduct to the Department in the course of periodic communication to be scheduled between Panalpina, its Compliance Consultant, and the Department. The first such update call shall take place within 60 days after the signing of the Deferred Prosecution Agreement.