

## KROPP HOLDINGS, INC.

### STATEMENT ON CONFLICT OF INTEREST

In its role as the transaction processor for the AIR Card® and SEA Card® program (the “Program”), pursuant to DLA Energy Aviation & Ship's Bunkers Transaction Processing Services Contract Number SP0600-12-C-0359 (the “Contract”), Kropp Holdings, Inc. (“KHI”) provides a full range of transaction processing services in support of the military services customers utilizing aviation and ship’s bunkers fuel and non-fuel services worldwide on a 24/7/365 basis.

KHI does not have any organizational conflict of interest (“OCI”) with respect to the requirements of the Contract. However, a potential OCI exists because other subsidiaries of KHI’s parent, World Fuel Services Corporation (“WFSC”), are among the thousands of merchants who sell fuel and services to the government under the Programs.

The Contract is for credit card processing and web ordering services only and not the establishment of a contract for the sale or resale of fuel or services. Under the Contract, the transaction processor simply provides a solution that automates the procurement and payment process, while leaving the procurement decision to the contracting officer (contract locations) or the AIR or SEA Card® crews utilizing the Programs (non-contract/open-market locations). It is not among the card processor’s responsibilities to inform or influence the procurement decisions of the contracting officer or card holder.

Nonetheless, KHI’s affiliates would have an unfair competitive advantage were they to have access to competitive, confidential, proprietary or source selection information which KHI may possess in its role as transaction processor. In addition, there might be a perception that in KHI’s role as the transaction processor, it could give preferential treatment to one or more of its affiliates. KHI is sensitive to these concerns and has developed a comprehensive OCI mitigation plan (the “Plan”) that identifies processes and procedures, including OCI barriers (“firewalls”), to ensure fair competition, protect confidential and proprietary data and mitigate potential for Company bias in the performance of the Contract.

The Plan is based on the requirements set forth in Federal Acquisition Regulation (“FAR”) Subpart 9.5, *Organizational and Consultant Conflicts of Interest*; (b) Request for Proposal No. SP0600-11-R-0225 (the “Solicitation”) Section H, *Organizational Conflict of Interest*. It was developed with input and guidance from DLA-Energy and was specifically approved by DLA-Energy.

The firewalls and other mitigation measures established by KHI pursuant to the Plan include:

**Organizational Segregation:** KHI is an independent subsidiary of WFSC and is a separate legal entity from any of its affiliates, with its own officers, directors and employees.

**Physical Segregation:** KHI has a separate physical location from WFSC and its affiliates.

**System and Data Segregation:** KHI utilizes separate, standalone billing, payment and financial systems with restricted access and appropriate security protocols that are secure from a technical and organizational perspective from all third parties, including its parent and affiliates.

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**Managerial Segregation:** Contract performance activities are managed solely within KHI, which maintains separate management reporting lines that are independent of managerial reporting for its affiliates.

**Non-disclosure Agreements:** All KHI employees and subcontractors execute NDAs that restrict the release of proprietary, confidential, competitive and source selection material.

**OCI Awareness and Training:** KHI has established employee awareness procedures to ensure that employees and subcontractors understand and comply with OCI policies and procedures. All KHI employees and subcontractors receive OCI training and sign a certificate attesting to their participation in the training and understanding of the responsibilities and requirements of the FAR 9.5, the Contract's OCI clause, and the Plan.

KHI has an ongoing responsibility throughout the period of performance of the Contract to identify, report, and resolve any actual or potential conflicts of interest that may arise. Senior Counsel - Compliance has been designated the OCI Compliance Lead and is responsible for oversight and governance of these OCI measures.

If you have any questions or issues regarding the Plan, please contact us at [OCIcompliance@khinc.com](mailto:OCIcompliance@khinc.com).

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