

Anti-Corruption and International Business

This policy #117 is an integral part of the Company's Code of Conduct, which is introduced under policy #111.

I. Anti-Corruption Policy

1. Policy

It is the policy of the Company to prohibit the offering or giving, either directly or indirectly, of money or anything else of value to a private party or to a government official in order to influence a business/commercial action, or to obtain an improper business advantage. It is also the policy of the Company to keep books and records that accurately reflect all transactions.

2. Scope

This policy applies globally to all of the Company's directors, officers, employees, agents, consultants and other third parties working with the Company (each a "Company Person"). Neither the Company nor any Company Person may avoid the requirements of this policy through the use of such agents, consultants or other third parties.

3. Background

Nearly all countries have adopted laws prohibiting the bribery of government officials. Most countries have similar laws prohibiting bribery of private parties. Not all bribery takes the form of cash payments or commissions. For example, providing gifts, travel or entertainment may be unlawful depending on the circumstances.

3.1 Violations of these anti-bribery laws can lead to costly enforcement actions against the Company and the individual(s) involved, damage to the reputation of the Company and its employees, and criminal penalties against both the Company and the individual(s) involved. Persons found guilty of bribery face possible imprisonment, as well as substantial fines.

3.2 Each Company Person must use their own reasonable judgment in identifying activity that may violate the Company's anti-corruption policy or be subject to scrutiny by law enforcement officials. It is the responsibility of each Company Person to immediately consult the Company's General Counsel if he or she has any question that his or her action could potentially violate the Company's Code of Conduct and/or anti-bribery laws.

3.3 The Company may issue from time-to-time additional anti-corruption guidance consistent with this general policy to address, among other things, the specific requirements of local law. The Company will also institute training and testing as well as internal auditing to ensure compliance with this policy.

4. Practices

4.1 General Practice. No Company Person may offer, give, promise or authorize the giving of *anything* of value to a private party (see section 4.7 below) or to a government official (as defined below), directly or through an agent or other third party, to influence a business decision or government action or obtain an improper business advantage. This prohibition bars the giving, offering, promising, or authorizing the transfer of not only cash but anything else of value including, for example:

- Gifts or gratuities of any kind (*see* Section 4.3 below);
 - Travel, meals or entertainment (*see* Section 4.4 below);
 - Contributions to a charity (even a legitimate one) specified by a private party or government official; or
 - Offers of employment to family members of the private party or a government official in order to influence a business/commercial action or a government action, or to obtain an improper business advantage in any such action.
- ❖ To “*influence a business or government action*” means to attempt to induce a private party or a government official to act or refrain from acting in any way.
- ❖ An “*improper advantage*” is any advantage gained by the Company not on the merits of its products or services but because the private party or a government official violated their employer’s trust for the Company’s benefit. Such an improper advantage could include new business, retaining existing business, a reduction of a tax or import duty, a regulatory approval or any other action that is unwarranted.
- ❖ A “*government official*” includes anyone working at a government entity (as defined below), as well as any candidate for political office or political party.
- ❖ A “*government entity*” is defined broadly to include national, state or local governments or government departments, bodies, agencies or other government entities, as well as “public international organizations” and political parties. “Public international organizations” include any organization with two or more governments as members. “Government entity” also includes “government-owned enterprises,” meaning any entity, whether organized under public or private law, in which one or more governmental entities has a sufficient interest to give it control. A majority of the voting shares would clearly qualify, as would a single share if it conferred control.

Thus, for example, a government official could include any of the following:

- Employee of a state-owned hospital, utility or other enterprise;
- Local police officer;
- Military personnel;
- Customs official;
- Officer of the World Health Organization, Council of Europe, World Bank or United Nations;
- Mayoral candidate; or
- Member of Parliament; or Judge, Prosecutor or Court Clerk.

Should you have any doubts as to whether a person is a government official, contact the Company’s General Counsel.

4.2 Facilitation Payments. Minor payments made to officials or others to speed up a routine governmental process are prohibited, as are similar payments in the private sector to the extent they are not made as part of an established, open process or are not properly documented. A facilitation payment made to ensure the safety and/or security of an employee must be reported immediately to the Company’s General Counsel, recorded and steps must be taken to avoid a recurrence.

4.3 Gifts and Contributions. A gift or promise of a gift to a private person or to a government official is never permissible if it is provided to influence a business decision or a government action or to obtain an improper business advantage. Contributions to political parties, candidates and campaigns for public office made by the Company or a Company Person on behalf of the Company are generally not permitted and any exception must be approved by the Company's General Counsel.

4.4 Travel, Meals and Entertainment. Providing travel, meals or entertainment to a private party or to a government official in order to influence a business decision or a government action or to obtain an improper business advantage is never permitted. However, meals and entertainment that are (1) reasonable in value, (2) permitted under local laws and customs, and (3) offered infrequently, may be acceptable. In addition, reasonable and good faith expenditures on travel, lodging and similar items may be permitted with the prior approval of your manager, but only if they are directly related to the marketing, demonstration or explanation of products or services or the signing of a contract. Providing travel, meals or entertainment to a guest (including spouse) of the private party or of a government official is not permitted. Consult your manager or the Company's General Counsel for any additional guidance you may need on this issue.

4.5 Agents, Consultants and Other Third Parties. A Company Person may not give money or anything of value to any person if the circumstances indicate that it is probable that all or part of the money or other thing of value will be passed on to a private party or to a government official to influence a business decision or a government action or to obtain an improper business advantage. To protect the Company against the risk of bribes given indirectly, it is imperative that the Company and each Company Person ensure that its agents, consultants and other third parties who represent the Company understand and abide by the Company's anti-bribery policies. It is also imperative that the Company investigate the qualifications and reputation of such third parties prior to establishing a relationship.

4.6 Books and Records. The Company's books, records and accounts must be kept with reasonable detail and accuracy such that they fairly reflect the true economic substance of all transactions and dispositions of assets. Company Persons must follow all internal controls, practices and procedures, as well as applicable standards and practices for accounting and financial reporting. False or artificial entries are not to be made in the books and records of the Company for any reason. Such artificial entries could include the mischaracterization of an improper payment as a commission payment, customer development charge, processing fee or rebate.

4.7 Private Parties; Bribery in the Private Sector. Private parties are covered in the same manner as are government officials. That is, no person may solicit or receive a bribe, and no person may give, offer, promise or authorize the giving of *anything* of value to a private party employed by a private sector (non-governmental) entity, directly or through an agent or other third party, to influence any action, to obtain an improper business advantage or to cause the other person to breach any of his/her duties to the private entity. This prohibition bars the giving, offering, promising, authorizing the transfer of, or receiving of not only cash, but of anything of value, as it does in the general provisions of Section 4 above.

4.8 U.S. Officials. The laws applicable to dealings with U.S. officials or employees are complex and easily violated. Typical business practices, such as business meals or entertainment expenditures, may violate federal law. As a result, special care must be taken when interacting with U.S. officials.

- a. U.S. federal, state and local officials and employees are prohibited from accepting entertainment, meals, gifts, gratuities or other things of value. Offering a benefit to a U.S. federal, state or local government official or employee or their family members may violate the law. Where offering a benefit violates the law, it may constitute bribery, and that can subject you to fines or jail time.
- b. Company Persons who interact with government employees and government agencies are expected to know and abide by all applicable guidelines preventing unauthorized or illegal gifts and payments.

Unless a proposed gift is clearly permitted under applicable laws and rules, or have approval from the General Counsel, you should assume the gift is prohibited.

- c. Keep in mind that these rules *may* apply even where the business courtesy is based purely on a personal or social relationship, rather than on the position of the government official or employee. This determination is often fact-specific and requires legal analysis. If you have any questions about providing any type of gift to a government official or employee, contact the General Counsel.

4.9 Questions. Any questions concerning this policy or the applicability of the anti-bribery laws to specific situations or practices should be directed to the Company's General Counsel.

4.10 Acknowledgment. Each Company Person, if requested, will annually acknowledge in writing, in the form requested, that he or she understands the Company's policies with respect to anti-corruption and is in compliance with it and will adhere to its provisions.

5. Reporting

If you suspect that any Company Person, or any other person acting for the Company, may have engaged in conduct inconsistent with the Company's policies with respect to anti-corruption, you must immediately contact the Company's General Counsel or use any other of the avenues of communication set forth in the Company's Open Door Policy, including anonymous reporting options. No Company Person will be penalized or retaliated against in any way for reporting misconduct.

II. International Business

1. Anti-Boycott Regulations

Certain countries are engaged in a boycott of Israel, and may attempt to enforce this boycott in their contracts with companies from the U.S. The U.S. maintains anti-boycott regulations prohibiting U.S. persons from participating in the boycott of Israel and any other secondary boycott of a country friendly to the U.S. No Company employee shall agree to a contract, document or oral request containing language that could be interpreted as requesting or requiring compliance with such a boycott. In addition, no employee shall comply with a customer request for information about the Company's business activities relating to Israel or any other country that is the target of such a boycott. U.S. law requires that any such requests be immediately reported to the U.S. government, even when a response is not provided. Therefore, any such request must be immediately reported to the General Counsel. U.S. law imposes fines and other penalties for violations of the anti-boycott regulations, including on U.S. parent companies in cases where their non-U.S. subsidiaries violate the anti-boycott regulations.

2. Export Controls

It is Company's policy that strict compliance with all export control laws and regulations. The U.S., as well as many other countries, maintain controls on the export of products, software, and technology "Technology" includes information concerning the development, production or use of a product or software and may take the form of technical data (e.g., blueprints, plans, diagrams, models, formulae, tables, engineering designs and specifications, manuals and instructions) or technical assistance (e.g., instruction, skills training, working knowledge, and consulting services). The idea of an "export" is broad. For example, it includes:

- sending or taking products, software, or technology out of the U.S. in any manner (including electronic transfers);
- releasing software or technology in a foreign country;

- transferring certain encryption software in the United States to an embassy or affiliate of a foreign country; and
- releasing technology or software to a foreign national, whether located in the U.S. or abroad (including oral or visual disclosure). For purposes of export controls, a “foreign national” does not include any person holding valid U.S. citizenship, lawfully admitted for permanent residence in the United States, or who is a protected individual under the Immigration and Naturalization Act.

U.S. export laws and regulations also apply to the re-export to third countries of U.S.-origin items, foreign products with U.S. content, and the direct product of U.S. technology. In addition, they also prohibit transactions involving certain proliferation-related end-uses, including nuclear activities, chemical or biological weapons, missiles, and unmanned aerial vehicles. Every Company employee shall comply with these export control requirements. Before engaging in a transaction involving proliferation-related end-uses, or exporting or re-exporting any controlled commodities or technology, by whatever method of transmission, Company employees must determine whether the proposed transaction requires U.S. government approval, and comply with any pre-requisite filing requirements, licensing requirements or post-export reporting requirements. If a license is required, employees must ensure that it is in place prior to the export event. Licenses may be required for the Company to engage in transactions requiring U.S. government authorization for the ultimate destination, even if the Company is only dealing with an intermediary.

Failure to comply with export control laws and regulations may result in fines, loss or restriction of export privileges, or adverse publicity for the Company. Failure to comply may also result in termination of employment. Intentional violation of these requirements may be a criminal offense and can result in imprisonment. Each supervisor and manager is responsible for ensuring employee understanding and compliance with export regulatory requirements associated with the activities in which the employee is engaged. Business situations having the appearance of not complying with the regulations or the terms of export licenses should be reported promptly to the supervisor and the General Counsel. Any employee may bring export control issues to the attention of higher management for review.

3. Embargoes and Sanctions

The United States imposes various comprehensive embargoes and sanctions on trade and other transactions (e.g., travel-related service transactions; contracting; imports; loans; and, in some cases, investments) with a number of countries, currently including North Korea, Cuba, Iran, Sudan, Syria, and the Crimea Region of Ukraine.

Some U.S. agencies also prohibit certain transactions involving designated persons, entities or vessels (collectively “Restricted Parties”). For example, the Department of Commerce maintains the Denied Persons List, Entity List, and Unverified List and the Office of Foreign Assets Control maintains the Specially Designated Nationals List, among others. Restricted Parties can be located in any country of the world (including the United States) and may be designated for any number of reasons (including support for terrorism, narcotics-trafficking activities, acting counter to the foreign policy interests of the United States, and prior violations of export laws). In some cases, entities owned 50% or more by a Restricted Party (or in aggregate by multiple Restricted Parties) are also deemed to be Restricted Parties, even if not separately listed.

These restrictions are applicable to U.S. companies as well as U.S. persons. Some even apply to foreign subsidiaries and foreign branches of U.S. companies. To avoid violations of the sanctions regulations, immediately notify the General Counsel before engaging in any discussions or transactions with representatives of persons or entities in or from any of the aforementioned countries or regions, or with persons or entities identified by the U.S. government as Restricted Parties.

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THIS POLICY IS NOT AN EMPLOYMENT CONTRACT. EMPLOYMENT IS AT-WILL.