



Day & Zimmermann

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Policy: International Sales and Services

Policy No.: 1501

Responsible Officer: Senior VP, General Counsel and Secretary

Cross References: Policy 1321-02

1.0 General Policy: Compliance with Applicable Law and Regulations

It is the policy of the Company to comply with all applicable U.S. and foreign laws and regulations when it sells goods or services, recruits employees for service in a foreign nation, and engages in other business development and operational activities.

Before any Business Unit enters into a contract or other binding commitment to perform services or sell goods in a foreign nation, it shall (with the assistance of the Company's Empowered Officials, Tax Department, and Law Department) determine whether doing so may subject the Company to:

- **Foreign Licensing Requirements:** Will the activities trigger:
 - Requirements for one or more business or professional licenses or permits before the Company may lawfully perform the anticipated services or sell the anticipated products?
 - If so, have the required licenses or permits been obtained, or can they be obtained before the services must be performed or the products delivered?
- **Local Establishment Requirements:** Will the Company, in order to lawfully perform the anticipated services or sell the anticipated products, need to:
 - Designate a local in-country representative or manager to represent the Company in its activities in the foreign country?
 - Establish a branch office, foreign subsidiary, or foreign joint venture?
 - Otherwise register to do business in the foreign country?
- **Visa Requirements:** Will the Company's employees need to satisfy visa or other immigration law requirements in order to perform the anticipated services or sell the anticipated products?
- **Foreign Tax Obligations:** Will the proposed business activities create tax obligations to the foreign country?
- **Export and Import Licenses:** What export and import licenses will the Company need to obtain from U.S. and foreign country authorities in order to perform the anticipated services or sell the anticipated products?
- **Corruption Risk:** Does the country pose significant risk of corruption based on the Transparency International ratings or other sources? Can the Company implement appropriate and effective risk mitigation in order to comply with U.S. and other applicable anti-corruption laws?
- **Human Trafficking/Human Rights Violation Risks:** Does the country or services to be provided pose risk to the Company, employees, or other stakeholders of human rights concerns, including risks of human trafficking violations? Can the Company implement appropriate and effective risk mitigation in order to

comply with U.S. and international laws?

- **Local Labor and Employment Laws:** What labor and employment laws will apply to Company employees (whether U.S. expatriates, local nationals, or third country nationals) while engaged in performing services, or selling or servicing products in the foreign country?
- **Other Idiosyncratic Local Laws and Business Practices:** What other local laws and business practices differ markedly from the laws of U.S. jurisdictions and could, for that reason, present pitfalls for the Company in its commercial operations in the foreign country in question?

2.0 Standard Practice:

A. Foreign Operations Memoranda (FOM)

This following Standard Practice will apply to Company units unless, with the approval of the Group President and of the Senior Vice President – Law:

- It is determined that other practices and policies will better serve a unit's needs and will adequately ensure that the Unit honors the Company policy set forth above.
- Exceptions are made to the practice for any individual contract or group of contracts.

Upon request from a Company unit, the Law Department will prepare/provide a Foreign Operations Memorandum ("FOM") addressing the issues referred to above for foreign countries in which a unit of the Company desires to do business.

- The FOM should identify the anticipated Company business activities in that country and focus the information contained in the FOM on those activities.
- The FOM should be maintained on a Company intranet or SharePoint site available to all of the Company's unit Heads.
- The FOM should be updated on a regular schedule established by the Company's Senior Vice President – Law.

Company units desiring to perform services, sell products or conduct other business operations outside of the U.S. shall determine whether a FOM exists for these operations and anticipated business activities, consulting with the Law Department if there is any uncertainty.

If there is an FOM covering the anticipated business operations, the unit shall review it and use the information set forth therein in preparing bids and proposals and conducting compliant operations.

B. Foreign Operations Checklist

Any Business Unit seeking to enter a new foreign country must coordinate with the Tax Department to complete a Foreign Operations Checklist to determine requirements and resources needed for business operations.

3.0 Law Department Advice and Assistance

Selling the Company's goods and services internationally requires familiarity with and adherence to specific laws and regulations, both U.S. and foreign. In order to facilitate the conduct of its international business in accordance with such laws and regulations, the Company's Law Department will provide advice and assistance with respect to these matters.

- The Law Department will prepare/provide FOMs and ensure that they are made available to the Company's Units that contemplate performing services in a foreign nation.
- Upon request of a Company unit, the Law Department will provide requested advice and assistance to help unit personnel:
 - Explore or penetrate markets outside the United States (e.g., by seeking information from U.S. embassy and consular sources and from foreign nations outside counsel in order to obtain

preliminary outlines of the applicable foreign laws and regulations).

- Train sales, marketing, project management, and executive personnel involved in international business transactions regarding the following:
 - Company's Code of Ethics and Standards of Business Conduct,
 - Foreign Corrupt Practices Act,
 - International Traffic in Arms Regulations,
 - Export Administration Regulations,
 - Toxic Substances Control Act,
 - regulations administered by the Bureau of Alcohol, Tobacco and Firearms,
 - regulations administered by the Treasury Department's Office of Foreign Asset Control ("OFAC"),
 - OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-bribery Convention),
 - Other applicable U.S. or foreign country laws and regulations.