



**Day & Zimmermann**

*We do what we say.®*

## **Policy: Anti-Corruption/Foreign Corrupt Practices Act Compliance**

**Policy No.: 1504**

**Responsible Officer: Senior VP, General Counsel and Secretary**

### **1.0 Policy**

It is the policy of the Company to comply with the Foreign Corrupt Practices Act (FCPA), which limits what may be given to or what may be done for foreign officials, both directly and indirectly (e.g., through employees, agents, suppliers, subcontractors, or to relatives and friends of government officials). Similar proscriptions are contained in the OECD Anti-bribery Convention, to which the United States is a signatory, and the laws of other countries, such as the United Kingdom Bribery Act, which could apply to certain Company business. Employees must therefore become thoroughly familiar with the applicable provisions of the FCPA and other applicable laws before becoming involved in any international business transaction in a marketing, sales, project management, or executive role. Any violation of this policy by an employee of the Company may lead to disciplinary action, including termination of employment.

### **2.0 Anti-Corruption Laws**

**FOREIGN CORRUPT PRACTICES ACT (FCPA):** The United States Foreign Corrupt Practices Act makes it unlawful and punishable by criminal penalties for companies and individuals to:

- ▶ Knowingly make, offer, promise or attempt to make
  - Payment of money, gifts,
  - Or to provide anything of value
- ▶ To:
  - Any employee or official of a foreign government
  - An instrumentality of a foreign government (e.g., a business owned or controlled by a foreign government)
  - Candidate for foreign office
  - Foreign political party or its officials
- ▶ Directly or indirectly
  - I.e., on your own or through a third party
- ▶ In order to influence a government official
  - to act or not to act in violation of his duties
  - to secure an improper advantage
  - to influence an act of the government
- ▶ In order to assist in obtaining, retaining or directing business to any person\_

The FCPA applies to all U.S. companies and individuals, and to any other individual (regardless of location and nationality) who uses U.S. mail, electronic communications systems, or any other instrumentalities of U.S. commerce.

“Anything of Value” - The term “anything of value” means not only money, but may also include gifts, entertainment, offers of employment, discounts not available to the general public, travel expenses, etc.

“Foreign Government Official” - The term “foreign government official” means any employee of a foreign government, political party, international organization, state-owned or controlled business, and public/private venture, regardless of rank or position. Members of royal families who have any influence over the government are also considered government officials. Importantly, payments to a foreign government official that would be prohibited under the FCPA if made directly to that official may not be made to a family member of that official or other third party at the foreign government official's direction or for his benefit.

Employees must always seek advice and counsel from the Company Law Department before taking any action that may implicate the FCPA. As a resource, individuals can refer to the United States Department of Justice's publication, A Resource Guide to the U.S. Foreign Corrupt Practices Act (November 2012) found at <http://www.justice.gov/sites/default/files/criminal-fraud/legacy/2015/01/16/guide.pdf> for guidance and additional clarification on the FCPA.

**OTHER APPLICABLE ANTI-CORRUPTION LAWS:** Most countries where the Company conducts business have anti-corruption laws that prohibit bribery of their government officials and may prohibit facilitation payments. The Company may also be subject to other country anti-corruption laws based on its contractual obligations. Employees should ensure that they are familiar with applicable anti-corruption laws.

**COMMERCIAL BRIBERY LAWS:** The United States and other countries where the Company does business or operates have laws that also prohibit “commercial bribery” of private parties in order to obtain or retain business. The Company shall also comply with all applicable commercial bribery laws.

### 3.0 Day & Zimmermann's Anti-Corruption Policy

**GENERAL STATEMENT OF COMPLIANCE:** The Company and all of its Business Units, employees, subcontractors, suppliers, agents, or representatives shall comply with the United States Foreign Corrupt Practices Act and any other applicable anti-corruption laws that govern the Company's operations. Paying money or providing anything of value to a foreign government official – directly or indirectly – as set forth in the FCPA is a violation of U.S. law punishable by imprisonment and fines. Similarly, it is a violation of the Company's policy for lower-tier subcontractors, agents, employees or other third parties working for the Company's benefit to make any such payments. In general, the Company prohibits the paying of any bribes, kickbacks, or illegal gratuities, including facilitating payments, to any individual in order to obtain business.

**FACILITATION OR “GREASE” PAYMENTS PROHIBITED:** It is a violation of the Company's policy to make facilitation or “grease” payments in order to expedite or secure routine governmental functions, including, but not limited to, the issuance or processing of permits, licenses, registrations, visas, other official documents or approvals, scheduling appointments, clearing goods through customs, and obtaining municipal services. Likewise, lower-tier subcontractors, employees, agents, and other third parties working under or for the Company are not allowed to make any facilitation payments on the Company's behalf or that would benefit the Company. If the grounds for making nominal facilitation payments are compelling, such as the health or safety of an employee is at immediate risk, please contact the Law Department immediately. Under no circumstances, however, may facilitation payments be made without the express, written permission of the General Counsel of your business or staff unit. All facilitation payments shall be properly and timely recorded in the Company's accounting records.

**GIFTS:** The FCPA allows for gifts of nominal or modest value in the appropriate circumstances where customary and reasonable. Promotional gifts which are of nominal value and bear the Company logo (e.g., company coins, t-shirts, plaques, etc) may be provided without Law Department approval. All other gifts must be approved by the Law Department before given.

In general, gifts must meet the following criteria:

- A gift should comply with any local laws or business policies that apply to the non-U.S. government official.
- A gift of cash is never appropriate.
- A gift should not be extravagant or lavish.
- The Company shall avoid a pattern of providing nominal gifts to the same person or group, as it may begin to take on the appearance of a bribe.

- The gift should be customary under the circumstances.
- The gift should be transparent, and Employees should not allow anyone to conceal the facts.
- The gift should be given in a manner that avoids any appearance of impropriety.
- The expense of the gift must be fairly and accurately accounted for in the Company's books and records.

**HOSPITALITY, MEALS, TRAVEL, ENTERTAINMENT, AND PROMOTIONAL ITEMS:** Offers of hospitality, visits by foreign government officials to work sites, or providing gifts, travel, or entertainment may be allowed under the FCPA, but such activities must be approved in advance by the Law Department. Reasonable and bona fide expenditures in connection with the promotion or execution of a contract may be allowed.

**CHARITABLE DONATIONS:** Legitimate charitable donations (whether monetary or in-kind) in a foreign location where the Company operates may be made by the Company, but only in accordance with the Company authority levels and with approval of the Company Law Department. Donations must be reviewed to determine whether the charitable organization or community group is associated with a foreign government official. If the donation is affiliated with a foreign government official or suggested by a foreign government official, then the donation must be reviewed and approved by the Law Department in advance of any promise, commitment, or donation.

**POLITICAL CONTRIBUTIONS:** The FCPA prohibits providing anything of value (whether in cash or in-kind) to a candidate for political office, political party, or party officials in order to obtain, retain or direct business. Any contribution, participation during work hours, or use of Company facilities or resources for a non-U.S. political activity may be prohibited by local law and the FCPA. All such contributions and actions must be approved by the Company's Law Department and the Company's Director of Government Relations. .

**ACCOUNTING, INTERNAL CONTROLS, BOOKS AND RECORDS:** The Company shall maintain accurate books and records documenting all costs and expenses relating to international business. All transactions shall be recorded accurately. The Company shall require appropriate management authorization for all transactions. The Company's preference shall be for all payments to be made by verifiable wire transfer, but, where cash transactions are appropriate or necessary, the Company shall maintain accountability and control over cash transactions

## 4.0 Compliance Program

The Company's Law Department shall maintain a compliance program for the Company working in cooperation with the Business Unit and the Ethics and Compliance Department to ensure that the appropriate training, resources, and oversight are available for the particular Business Unit or Staff Unit depending on the types of activities, locations, and risks of the business.

The compliance program shall include the following components:

- Providing training on the Foreign Corrupt Practice Act, anti-corruption laws, export control laws, trade restrictions, human trafficking, and other associated international laws to all Company employees in business units involved in international business transactions.
- Ensuring that employees who are involved in international business transactions in a marketing, sales, project management, finance, operations, or executive role have received appropriate training on compliance with the FCPA and other applicable laws.
- Vetting and training of all international agents, representatives, subcontractors, suppliers, and any other international business partners (collectively "International Business Partners").
- Encouraging compliance of the Company's anti-corruption policies regarding by Company employees and International Business Partners.
- Providing a reporting mechanism through the Company's Ethics and Compliance Program to employees and third parties to report potential violations of the Company's anti-corruption policies or applicable law on an anonymous basis without fear of reprisal.
- Ensuring that potential business partners and other third party stakeholders are aware of the Company's compliance policies and expectations for employees and business partners through publication of the Company's commitment to compliance on its website or other means.
- Taking appropriate disciplinary action when necessary, including termination and reporting to law

enforcement.

- Requiring certifications of compliance on a regular basis from International Business Partners.
- Providing clear direction to all Employees and International Business Partners.

**TRAINING:** Business Unit heads are responsible for ensuring that employees are regularly trained and that new employees involved in international business positions receive appropriate training before commencing work that could pose risk of non-compliance for the Company. Training will be conducted for employees involved in international business at least annually and will be made available via computer or otherwise for use by employees who are unable to attend in person. Training on anti-corruption issues should also address the connection between anti-corruption laws and export laws, prevention of human trafficking, and other international laws.

Depending on the circumstances (including, but not limited to, risk factors, type of business partner, location of performance, and in-house capabilities), the Company may provide training on anti-corruption policies to its subcontractors, suppliers, and agents.

The Law Department and the Ethics and Compliance Department shall make the Company's Anti-Corruption Policy and training, as needed, available in languages other than English as required to communicate with employees or third parties.

**BUSINESS PARTNERS:** The Company shall require all of its business partners, including joint venture partners, subcontractors, suppliers, agents, and representatives to certify compliance with the Company's Anti-Corruption policies or a policy of similar restrictions, including prohibitions on facilitation payments.

**REPORTING SOLICITATIONS:** If a government official attempts to solicit or extort improper payments or anything of value from Company employees or agents, the employees or agents must inform the government official that the Company does not engage in such conduct. Employees should immediately report the attempt to the Law Department.

**REPORTING VIOLATIONS:** Employees, subcontractors, representatives, agents, or other third parties must report any potential or actual violations of the Company's Anti-Corruption Policy or the FCPA to the Company Law Department or the Company's Ethics Help Line (**877.319.0270**). **Employees may also make reports to a Company Ethics Officer.** Contacts made through the help line or the websites may be made anonymously. There will be no reprisals for reports made in good faith.