

# GLOBAL ANTI-CORRUPTION POLICY





An Open Letter from

**Todd Lucey**

**General Manager**

Endress+Hauser has always been a world-class leader that distinguishes itself as much by the quality of our products and services as we do by the strength of our ideas and our integrity. It is essential that we recognize the challenges and opportunities inherent in doing business across the globe and that we renew our shared commitment to the highest ethical standards in the way we conduct our business.

We at Endress+Hauser USA are committed to competing fairly in the marketplace based solely on our merits. We will never tolerate corrupt activities in our business.

This Global Anti-Corruption Policy is a fundamental part of our efforts to make sure that all our employees and business partners understand that we will not tolerate corrupt activities in our business. It is the job of everyone to make sure that message is understood and as much a part of our culture as our commitment to quality and innovation.

All Endress+Hauser USA employees must become familiar with this Global Anti-Corruption Policy, request clarification and additional information when needed, and abide by these policies and all applicable anti-corruption laws at all times.

Thank you for your dedication to upholding our values.

Sincerely,

**Todd Lucey**



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## Who Is Covered By This Policy?

This Global Anti-Corruption Policy ("Policy") applies to all directors, officers and employees of Endress+Hauser USA and each of its majority owned or controlled subsidiaries and joint ventures throughout the world (collectively, "E+H USA"). All E+H USA employees are responsible for understanding and abiding by this Policy at all times.

In addition, this Policy applies to all business partners who provide services to or on behalf of E+H USA **directly related to obtaining, retaining, or facilitating business or handling our business** ("Third Parties"). Such Third Parties may include, but are not limited to, representatives, distributors, agents, brokers, supply chain and development partners, consultants, resellers, contractors, and professional service providers. These obligations should be communicated clearly to all such Third Parties and contractually required as appropriate. Contract language is available from the General Counsel's Office.

## Why Does It Apply to Third Parties?

Under most anti-corruption laws, E+H USA can be held liable for improper inducements offered and/or given by either our employees **or any agent or third party working for us** to secure a business advantage. We must let our Third Parties know about our unwavering commitment to follow these laws and what these policies require of them. Any Third Party being considered to work for or on behalf of E+H USA must agree to abide by this Policy.

## Who Will Administer The Policy?

The General Counsel's Office will review and make changes to the Policy over time, and it is also in charge of its implementation and monitoring. Please remember, however, that it is also the responsibility of every E+H USA leader to insure that all employees in his or her respective departments understand and abide by these policies.

## What Happens If I Violate the Policy?

Violations may result in legal liabilities for E+H USA and individual employees including disciplinary action, termination, fines, criminal prosecution, imprisonment and/or civil litigation.

## Who Do I Call With Questions?

If you need clarification on any issue related to this Policy, the Legal Department is available to assist you. Please feel free to email or contact:

Marisol Sanchez  
General Counsel  
+1 317-535-1457  
marisol.sanchez@us.endress.com

### ANYTHING OF VALUE

Under most anti-corruption laws, a bribe can be "anything of value." This covers almost everything; for example, cash, cash equivalents (checks, stock, gift certificates, AMEX gift cards), offers of employment, travel, vacations, jobs, internships, and political and charitable donations.

## Gifts, Entertainment and Hospitality

*You must never offer or provide anything of value to improperly influence the decisions of anyone (government and non-government officials) affecting the company's business or for the personal gain of an individual.*

*You must also avoid any appearance of impropriety.*

E+H USA strongly discourages offering or providing gifts, entertainment or hospitality to government officials and recommends consulting with the General Counsel's Office if you are considering such an expense. You should also avoid giving gifts or anything of value to anyone involved directly or indirectly with a pending bid, application, contract or decision that could impact the company.

### GOVERNMENT OFFICIALS

The term includes any officer, employee, candidate, member, or agent of

- a government/official agency
- a public international organization (such as the World Bank and IMF)
- a political party
- a royal or ruling family
- a company owned or controlled by a government (sometimes called a "state-owned enterprise")
- any relative of any such person

## Giving Gifts

When giving a gift in the business context, remember:

1. it must be legal (not just customary) under all applicable laws;
2. it should be a E+H USA branded item (shirts, hats, pens, USB drives, etc.) with a nominal value wherever possible;
3. it must not be cash or any cash equivalent (check, voucher, gift card);
4. it must be given openly and without any attempt to mislead or obscure its nature, value, purpose or recipient(s);
5. all records about the gift (including expense reports) must be complete, accurate and detailed; and
6. you must obtain prior approval from the General Counsel's Office if its value or frequency exceeds the limits set forth in the following chart:



Countries	Government Official	Non-Government Official
United States	\$20 US/two per year	\$100 US/two per year
Argentina, Brazil, China, Colombia, Ecuador, India, Italy, Kuwait, Malaysia, Mexico, Mozambique, Philippines, Saudi Arabia, South Africa, Thailand, Turkey, Vietnam	\$30 US/two per year	\$50 US/two per year
Qatar, Spain, South Korea, UAE	\$40 US/two per year	\$75 US/two per year

Australia, Canada, Chile, France, Germany, Japan, Singapore, Switzerland, United Kingdom	\$50 US/two per year	\$100 US/two per year
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## Receiving Gifts

You may not receive any gift if you are in a position to make or influence decisions that affect the gift giver, and receiving gifts in the business context is discouraged in any event.

If it is impractical to politely decline a gift, it should be considered company property if its value exceeds \$50 US unless you receive pre-approval from the General Counsel's Office. As company property, gifts should be:

1. kept on display at the company's offices;
2. distributed by a lucky draw where every employee has an equal chance to win;
3. donated to a legitimate charitable organization which is completely independent of our business dealings;
4. if edible, placed in a break room for the benefit of all employees; or
5. otherwise handled at the discretion of the General Counsel's Office.

### VALUE

The value of a gift, entertainment, or almost anything is usually its fair, retail price – which you can determine by a simple internet search. There are circumstances, when that price does not reflect its perceived value (if the item is autographed or if you're attending a "marquee" event, for example). In those situations, you should proceed with caution and as if the item requires pre-approval from the General Counsel's Office.

## Providing/Receiving Entertainment

If directly related to business, certain forms of entertainment, including sharing a meal or attending a sporting or cultural event with your customer, can be appropriate. However, other types of entertainment may give rise to an appearance of impropriety.



When providing or receiving any form of entertainment, remember:

1. it must be legal (not just customary) under all applicable laws;
2. it must be given openly and without any attempt to mislead or obscure its nature, value, purpose or recipient(s);
3. at least one E+H USA employee must be present and business must be discussed;
4. it may never include sexual services, drugs or any kind of activity that would prove embarrassing to you, E+H or any of its companies if made public;
5. all records about the entertainment (including expense reports) must be complete, accurate and detailed; and

6. you must obtain prior approval from the General Counsel’s Office if its value or frequency exceeds the limits set forth in the following chart:

Countries	Government Official	Non-Government Official
United States	Meals: \$20 US per person Events: \$20 US per person Frequency: twice a year	Meals: \$125 US per person Events: \$250 US per person Frequency: twice a year
Argentina, Brazil, China, Colombia, Ecuador, India, Italy, Kuwait, Malaysia, Mexico, Mozambique, Philippines, Saudi Arabia, South Africa, Thailand, Turkey, Vietnam	Meals: \$25 US per person Events: \$50 US per person Frequency: twice a year	Meals: \$40 US per person Events: \$75 US per person Frequency: twice a year
Qatar, Spain, South Korea, United Arab Emirates	Meals: \$40 US per person Events: \$75 US per person Frequency: twice a year	Meals: \$75 US per person Events: \$100 US per person Frequency: twice a year
Australia, Canada, Chile, France, Germany, Japan, Singapore, Switzerland, United Kingdom	Meals: \$75 US per person Events: \$150 US per person Frequency: twice a year	Meals: \$125 US per person Events: \$250 US per person Frequency: twice a year

## Providing Hospitalities

Hospitalities include the costs to transport and lodge non-E+H USA employees for legitimate business purposes.

You must obtain prior approval from the General Counsel’s Office for any hospitalities involving a government official.

When providing hospitalities, remember:

1. E+H USA should not select the specific individual(s) who will travel;
2. the company will only pay expenses necessary to accomplish the legitimate business purpose as efficiently as possible;
3. for those expenses necessary, they should be for modest travel and/or accommodations;
4. under no circumstances will sightseeing, side-trips, entertainment, or “extra-days” be included;
5. the company will not pay any expenses associated with family members or acquaintances of the individual(s) who travel;
6. you should not offer or provide cash, cash equivalents or *per diems*;
7. they must be given openly and without any attempt to mislead or obscure its nature, value, purpose or recipient(s);
8. they must be legal under all applicable laws and may never include sexual services, drugs, or any kind of activity that would prove embarrassing to you, E+H or any of its companies if made public; and



9. all records about the hospitalities must be complete, accurate and detailed.

## Donations and Sponsorships

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### *Political Donations*

Political donations are carefully regulated and subject to many laws. Therefore, you may not use company assets for any political donation without specific prior approval from the General Counsel's Office.

### *Charitable Donations*

E+H USA has a strong commitment to the communities we serve. As a part of that commitment, it is sometimes appropriate to make charitable contributions to worthy causes; provided, however, that no donations of any kind may be offered, promised or given if improperly intended to secure a business advantage or official action. You must get prior approval from the General Counsel's Office for any charitable donation involving company assets with a market value exceeding \$250 US.

### *Sponsorships*

Sponsorships are opportunities to contribute money or in-kind services to an event organized by a third party in exchange for some form of advertising or corporate recognition.

All sponsorships must:

1. involve contributions proportionate to the benefit received;
2. be legal under all applicable laws and for a legitimate business purpose; and
3. be subject to a written agreement detailing the organization sponsoring the event; the value/amount of the contribution; and the specific benefit(s) to be received.

## Facilitating Payments

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Minor facilitating payments to government officials that expedite or secure the performance of routine, non-discretionary governmental action are illegal under the laws of most countries where we conduct business. Therefore, E+H USA does not allow facilitation payments unless an employee's life, liberty or safety is at stake.

If such circumstances arise and a payment is made, you must (i) promptly report the circumstances and details of the payment to the General Counsel's Office; and (ii) ensure that such information is accurately recorded in the books and records of the company.





## Other Types of Benefits

Providing favorable opportunities (securing jobs or internships for a business partner's relative, for example) are also covered by anti-corruption laws. A bribe, therefore, can include favors, jobs, the use of company facilities, conveniences or favorable opportunities provided directly or indirectly to our business contacts. Please contact the General Counsel's Office for guidance before offering or providing any of these other types of benefits.



## Accounting - Books and Records

It is E+H USA's policy to maintain a system of internal accounting controls and to make and keep books and records which, in reasonable detail, accurately and fairly reflect transactions and the disposition of assets. False, misleading or incomplete entries in such records or in other documents are strictly prohibited. No undisclosed or unrecorded fund or account may be established for any purpose.



Expenses incurred by employees of E+H USA should be supported by a detailed description of activities and the actual, valid receipts or invoices reflecting amounts incurred.

Both the knowing submission (by any employee) and acceptance (by accounting or other personnel) of fake or false receipts or invoices is strictly prohibited and is subject to discipline, up to and including termination and legal action.

A system of accounting controls shall be maintained that provides reasonable assurances that (i) transactions are executed in accordance with management authorization; (ii) transactions are recorded to permit preparation of accurate financial statements and to maintain accountability for assets; (iii) access to assets is permitted only in accordance with management authorization; and (iv) appropriate auditing functions are conducted.

## Violations; Repercussions

Violations of any of these policies may result in disciplinary action, up to and including termination, fines, criminal prosecution, imprisonment and/or civil litigation. In addition, violations of anti-corruption laws anywhere in the world **may subject you and the company to criminal and/or civil penalties.**

Any employee who knows or suspects that a violation of this policy has occurred or is about to occur must contact the General Counsel's Office, a Human Resources manager or their supervisor.

**E+H USA will never tolerate any retaliatory act against a person who reports suspected legal, ethical, or policy violations in good faith.**

## ANNUAL ANTI-CORRUPTION CERTIFICATION

I, \_\_\_\_\_, hereby certify that I have read and understand E+H USA's *Global Anti-Corruption Policy*. I agree to comply with this Policy and to take no action that may cause E+H USA to be in violation of the FCPA, the U.K. Bribery Act or any other applicable anti-corruption law (please see next page for a summary of these laws). I hereby further certify that I have *not* made, caused, assisted in, or become aware of any offer, promise, provision or authorization to provide anything of value, either directly or indirectly, to any third party or government official for the purpose of obtaining or retaining business or securing any improper business advantage.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## Legal Background - General

It is E+H USA's policy to comply with all laws, rules and regulations that are applicable to its business - *wherever* that business is conducted.

Inappropriate transactions such as those described in the Global Anti-Corruption Policy may violate multiple laws around the world, and so E+H USA encourages all of its employees to seek guidance on legal matters when they first arise. If violations occur, any employees directly or indirectly involved may be subject to fines, criminal prosecution, imprisonment and/or civil litigation.

You are responsible for understanding the laws where you conduct business and for being in compliance with those laws at all times.

The following information is a summary of the FCPA and UK Bribery Act. If you would like to review these (or any) laws in greater detail, please contact the General Counsel's Office.

### The Foreign Corrupt Practices Act ("FCPA")

The FCPA is an important law that all E+H USA employees and Third Parties must understand and follow in all business transactions. Individuals should seek guidance when confronted with situations involving the FCPA); however, please see the general guidance below:

1. The FCPA prohibits offering to pay or actually paying a bribe or giving anything of value to a foreign (non-US) government official to obtain, retain or direct business to any individual, company or government. The US takes a broad view of "obtaining or retaining" business, including actions that lower the cost of operations. That includes, for example, bribes to reduce taxes or import duties.
2. The term "foreign government official" is broadly defined and includes any officer, employee, candidate, member, or agent of a (i) government; (ii) public international organization (such as the World Bank and IMF); (iii) political party; (iv) royal or ruling family; (v) company owned or controlled, at least in part, by a government ("state-owned enterprise"); and (vi) any relative of any such person.
3. Any payments made for these improper purposes by agents, third parties or any other intermediaries also violate the FCPA and are strictly forbidden.

### The UK Bribery Act

The UK Bribery Act is similar to the FCPA but it has important differences: (i) it prohibits all commercial bribery, covering private individuals as well as government officials; (ii) it outlaws receiving and offering/paying bribes; (iii) it does not recognize a facilitating payment exception; and (iv) corporations can violate the Act by simply failing to prevent bribery from occurring. Remember that like the FCPA, however, violations can occur through the actions of our employees and our Third Parties.