

# Anti-Bribery and Foreign Corrupt Practices Act Compliance Policy

## ANTI-BRIBERY AND FOREIGN CORRUPT PRACTICES ACT COMPLIANCE POLICY

**THIS POLICY DOES NOT CREATE A CONTRACT OF EMPLOYMENT OR ALTER THE AT WILL NATURE OF ANY EMPLOYEE'S EMPLOYMENT IN ANY WAY.**

### 1. Statement of Purpose and Philosophy:

Tekni-Plex, Inc. (including its direct and indirect subsidiaries, the "Company") is committed to maintaining high ethical standards of business conduct for its global operations. The Company is committed to a zero tolerance policy toward bribery and an effective program of internal systems and controls to support compliance with the letter and the spirit of the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act (UKBA), similar laws contained in the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Anti-Bribery Convention) and the anti-corruption laws of all countries in which the Company conducts business.

### 2. Policy Expectations

Neither the Company nor any of its employees shall offer, make, promise or authorize payments to Foreign Officials, directly or indirectly, which would violate the FCPA, the UKBA, the OECD Anti-Bribery Convention, or similar laws. The Company also will not condone or tolerate the offering, making or authorizing of such payments by any director, officer, employee or agent. The Company shall maintain its books and records in reasonable detail to accurately and fairly reflect transactions and dispositions of assets. No director, officer, employee or agent will suffer adverse consequences for refusing to pay bribes even if this may result in the Company losing business.

### 3. Prohibited Conduct

The FCPA, the UKBA and similar laws prohibit companies and individuals from corruptly offering, promising or giving anything of value to a Foreign Official to assist the Company or individual in obtaining or retaining business or to obtain any improper advantage. The UKBA further prohibits companies and individuals from engaging in commercial bribery domestically and outside of the United Kingdom. It is also unlawful to make payments to agents, sales representatives or other intermediaries while knowing or having reason to know that any portion of the payment will be used illegally. Due diligence should be conducted on all third parties that the Company seeks to engage to act as agents, representatives or consultants in connection with business in a foreign country and foreign controlled companies that the Company intends to establish a binding business relationship (i.e., a joint venture relationship) with. The General Counsel shall provide guidance on the level of due diligence required for a particular business arrangement. All due diligence should be conducted prior to entering into any contractual or binding arrangement.

#### "Foreign Official" includes:

- (a) an officer or employee of any non-U.S. (or non-UK, in the case of the UKBA) federal, state, municipal, or other government, department, agency, or instrumentality;
- (b) a political party or party official;
- (c) a candidate for a foreign political office;
- (d) an officer or employee of:
  - i. a public international organization or any department or agency thereof, e.g., United Nations, World Bank, IMF,
  - ii. an organization that is affiliated with one or more foreign governments,
  - iii. a commercial business, enterprise or other organization that is owned or controlled by a foreign national, regional or local government;
  - iv. a consultant, advisor, contractor, or agent of any of the above that represents or acts on behalf of or in an official capacity for such entity or person; or
  - v. members of foreign royal families that have governmental duties.

### **3.1. Facilitating Payments for Routine Governmental Actions**

Payments that are minor in value and that are made to expedite or secure the performance of “routine governmental actions” may be permitted under the FCPA but are not an exception or defense under the UKBA. “Routine governmental actions” are ministerial or clerical in nature and do not involve any discretionary decision-making. Examples include the issuance of visas, permits, licenses, or other official documents to qualify a person to do business in a foreign country, and obtaining police protection. Although the FCPA may permit such payments the laws of the foreign country may not and no facilitating payment may be made in such circumstance. “Routine governmental actions” do not include any decisions by a foreign official to award new business, continue business with a particular party or direct business.

Facilitating payments should be avoided to the maximum extent possible. The prior written approval of the General Counsel is required unless there is an emergency situation affecting an individual's health or safety.

(a) If the General Counsel approves the payment, accurate records of the payment and its purpose must be maintained and a copy forwarded to the reviewing legal counsel.

(b) In the event of a health or safety emergency where prior approval of the General Counsel cannot be obtained, information regarding the facilitating payment should be provided to the General Counsel as soon afterwards as practicable.

### **3.2. Bona Fide Business Expenditures**

Payments to Foreign Officials for expenses related directly to the promotion, demonstration, or explanation of products or services, or execution or performance of a contract (i.e., promotional expenses) are permissible under the FCPA (but not under the UKBA) to the extent: (i) reasonable, necessary and bona fide, (ii) allowed under local law of the country at issue, and (iii) are not provided with any corrupt intent to influence an official act of the official or party.

The General Counsel can advise on the suitability of any such payments.

Accurate records of the payment and its purpose must be maintained in accordance with the books and records provisions of the FCPA.

### **3.3. Gifts to Foreign Officials**

Exchanging modest gifts with foreign officials may be permissible under the FCPA (but not the UKBA) provided (i) the gift is of nominal value, (ii) the gift is permissible under the local law of that country and the regulations of the foreign official's government entity, (iii) the gift is of an amount and of a kind that is customary to give in that country and (iv) the gift is not provided with any corrupt intent to influence an official act or to obtain, retain or direct business or any special advantage in the relationship.

Each employee must maintain a log of business courtesies or gifts of any value provided to or received from any foreign official.

Determining whether a gift is permissible under the FCPA can be very difficult.

Accordingly, prior approval from the General Counsel must be obtained by all employees before providing any gift to a foreign official, foreign political party or party official, or candidate for foreign political office.

### **3.4. Vendors**

The Company's commitment to compliance with the FCPA and the UKBA must extend to the activities of the vendors.

The Company and its individual officers and employees

may be liable for payments made by a third party (sales representative, subcontractor, consultant, agent, or joint venture partner) of anything of value to any foreign official, even if

the third party is not subject to the FCPA or the UKBA, and even if the Company is not aware of the payment. The FCPA and the UKBA imposes liability if the Company, or its officers or

employees, give, pay, promise, offer or authorize such payment when the Company knows or has reason to know that it will be used in whole or in part to make an illegal payment to a foreign official.

Company personnel should be careful to avoid situations involving third parties that might lead to a violation of the FCPA or UKBA. Therefore, prior to entering into an agreement with any vendors who act on behalf of the Company in dealings with foreign governments, Company personnel must perform proper and appropriate FCPA and UKBA related due diligence and obtain from the third party certain assurances of compliance with the FCPA, the UKBA and this Policy.

The duty to comply with the FCPA and UKBA does not end once a due diligence investigation has been completed and a contract has been entered. The Company may still be subject to an FCPA or UKBA violation if it fails to monitor third parties throughout the duration of the relationship. Therefore, it is important that reviews are performed periodically to review the file and check whether all relevant documentation is in the file and whether anything in the file suggests the need for further inquiry.

### **3.5. Charitable Donations**

All charitable donations should be transparent and permissible under the FCPA or local law. Prior to making a charitable contribution to an organization in which a foreign official is known to have an interest or position, consult with the General Counsel.

### **3.6. Political Contributions**

The FCPA permits companies to make political contributions to foreign political parties or candidates to the extent that political contributions are permitted under local written law. Prior to engaging in any political activity in a foreign country, including the provision of political contributions, consult with the General Counsel.

### **3.7. Record-Keeping Requirements**

The FCPA and UKBA also requires companies to maintain reasonably detailed books, records and accounts, as well as a system of internal accounting controls, in order to reflect accurately all transactions and disposition of their assets. These provisions apply to both domestic and foreign operations and payments and are not limited to sums that would be "material" in the traditional financial sense.

### **3.8. Whistleblower Protection**

The Company takes its commitment to FCPA and UKBA compliance with the utmost seriousness and expects all vendors and Company personnel to share that commitment.

The Company, therefore, expects and requires that any vendors and Company personnel that have knowledge of, or reason to suspect, any violation of the FCPA, the UKBA or this Policy contact the General Counsel immediately or contact the Whistleblower Employee Hotline at 1-877-516-3380 or online at: [www.tekni-plex.ethicspoint.com](http://www.tekni-plex.ethicspoint.com). It is strict Company policy that no adverse employment or other action will be taken against any such persons in retaliation for reporting a violation or suspected violation of the FCPA, the UKBA or this Policy.

### **3.9. Due Diligence in Mergers and Acquisitions**

In high risk countries for public corruption, the Company is required to perform reasonable anticorruption due diligence on joint venture partners and target companies for acquisition before finalizing the venture or acquisition. The due diligence should include (i) conducting appropriate anticorruption and reputational due diligence for all non-U.S. agents, brokers, distributors, consultants and joint venture partners or other third parties, (ii) performing an analysis of each such party's reputation for, and history of, legal compliance, particularly with respect to anti-corruption laws and regulations, and (iii) confirming that all foreign third party representatives have annual compliance reviews to determine their compliance with anti-corruption policies and contractual requirements. Such diligence should also include interviews of key target company officers, and a sample of supervisory employees whose functions will interact with the Company. The anticorruption due diligence should also include document reviews, and it should also seek to determine if the target maintains accurate books and records, and whether it has any system of internal accounting controls. In exceptional cases, the Company may have to determine whether or not a violation by the target must be disclosed to U.S. or UK enforcement authorities before the transaction may proceed. The General Counsel should coordinate and supervise all anticorruption merger and acquisition due diligence, as appropriate.

### **3.10. Consequences of Violation**

Violations of this policy will result in corrective action that may include, but is not limited to, verbal or written warnings, suspension from work, or other disciplinary action up to and including employment termination. Verbal or written corrective action is intended to eliminate inappropriate workplace conduct of a more minor nature. Immediate termination without use of progressive discipline may be appropriate for serious incidents.

Violations could also result in criminal and civil charges in the United States or abroad, with significant penalties if an employee and/or the Company is convicted. The

Company also could face civil litigation and serious harm to its reputation as a result of FCPA violations. Employees who are convicted of FCPA violations also could face imprisonment.

The UKBA contains a strict liability offense for failure by a commercial

organization to prevent bribery. A commercial organization is guilty of failure to prevent bribery if a person “associated with” the organization, including an employee, agent, or subsidiary, pays a bribe intending to obtain or retain business or a business advantage for the organization. The commercial organization can avoid liability for the acts of associated persons only if it can show that it had in place “adequate procedures” to prevent such conduct at the time the bribery occurred.

Violations of the FCPA and the UKBA are not covered by directors and officers insurance, and the Company may not indemnify any individual for such violations.

#### **4. Accountability: Roles and Responsibilities**

Every Business Group, including business development, operations, sales, marketing or purchasing, is responsible for implementing, at a minimum, this Policy. Business Groups with greater exposure to FCPA and UKBA risk may implement additional procedures. Additional procedures shall be reviewed and approved by the General Counsel prior to implementation.

##### **The General Counsel is responsible for:**

- (a) Interpreting this Policy, the FCPA, the UKBA, OECD Anti-Bribery Convention, and other anti-corruption laws which apply to the Company.
- (b) Counseling and advising Business Groups regarding issues that raise concerns under the FCPA, the UKBA, the OECD Anti-Bribery Convention and other anticorruption laws.
- (c) Providing assistance in the performance and evaluation of due diligence regarding foreign agents, joint venture partners or other international transactions.
- (d) Evaluating the legality of proposed facilitating payments, promotional expenses, and contributions to charities and political parties or candidates.
- (e) Evaluating and approving additional procedures adopted pursuant to this Policy.

The Corporate Controller is responsible for implementing and monitoring systems of internal controls and record keeping procedures that comply with the FCPA and the UKBA.

The Legal Department is responsible for developing training materials which include a compliance certification and deploying training to the Business Groups.

##### **It is the individual responsibility of each director, officer, employee and agent to:**

- (a) Comply with this Policy, the FCPA, the UKBA and other anti-corruption laws and the Code of Business Ethics.
- (b) Participate in training as directed.
- (c) Make sure subordinates get the training needed to understand laws and regulations governing international transactions.
- (d) Raise concerns regarding this Policy, the FCPA, the UKBA and other anticorruption laws or the Code of Business Ethics - including any suspected violations - to management or the General Counsel.

## **ABOUT US**

Tekni-Plex is a globally-integrated company focused on developing and manufacturing innovative packaging materials, medical compounds and precision-crafted medical tubing solutions for some of the most well-known names in the medical, pharmaceutical, personal care, household & industrial, and food & beverage markets.

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