



<b><u>Policy Name:</u></b>	Anti-Corruption and Anti-Bribery Policy	
<b><u>Approved by:</u></b>	Megan Belcher, SVP and General Counsel	
<b><u>Approver's Signature</u></b>		
<b><u>Effective Date:</u></b>	June 17, 2019	<b><u>Revision Date:</u></b>

**Policy Statement**

The Scoular Company, including its subsidiaries, joint ventures and affiliates (collectively referred to as the “**Company**”) operates in a wide range of business and legal environments and is committed to operating with integrity in all business dealings and relationships. As part of this commitment, the Company complies with all applicable anti-bribery and anti-corruption laws, rules and regulations, including the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”), the UK Bribery Act of 2010 (“UKBA”), Canada’s Corruption of Foreign Public Officials Act (“CFPOA”), Mexico’s General Law of Administrative Responsibilities (“GLAR”), Brazil’s Clean Company Act 2014 (“BCCA”), the Criminal Code and any other local anti-bribery and/or anti-corruption laws where we do business. As described in more detail in this policy, these laws prohibit bribery of Government Officials and in some instances, prohibit private sector commercial bribery.

While this policy addresses a variety of situations, there may be circumstances where additional guidance would be helpful. In those instances, contact the General Counsel’s office.

**Applicability and Scope**

This policy applies to all Scoular employees, directors, officers and associates worldwide (“Personnel”), including any other person or firm acting on the Company’s behalf, such as agents, consultants, vendors, and distributors (“Representatives”).

Company Personnel must require Representatives to represent the Company in accordance with this policy, and to be aware of and adhere to the FCPA and the applicable laws of other countries related to matters covered by this policy.

Certain anti-corruption laws, including the applicable provisions of the FCPA, CFPOA, UKBA and BCCA can apply to Company Personnel and Representatives working anywhere in the world. Accordingly, this policy requires compliance with all applicable anti-corruption and anti-bribery laws, and local laws everywhere the Company does business.

## **Definitions**

For purposes of this policy, a “**Government Official**” is defined broadly, to include:

- any person who holds a legislative, administrative, regulatory or judicial position of a state (including state-owned enterprises);
- any person or firm employed by or acting for or on behalf of any state, including a board, commission, corporation or other body or authority;
- any political party (or party official) or candidate for political office (or party position);
- any officer, employee or agent of public international organizations (e.g., United Nations); or
- any family member or other representative of any of the above.

A “**State**” means any country, including any political subdivision of that country (such as a province or territory); the government, and any department, branch or agency of that country or political subdivision.

## **Prohibited Conduct**

All Personnel and Representatives are prohibited from, either directly or indirectly offering, promising, giving, or authorizing payment of anything of value to any Government Official in order to obtain or retain business, direct business to any person, receive an improper advantage, or influence any act or decision of, any Government Official.

Prohibited payments include, but are not limited to:

- offering, paying, requesting or receiving a bribe;
- an offer or promise to make a payment or gift;
- payments or gifts to third-parties, such as distributors, lawyers or consultants, where the Company employee knows or believes there is a high likelihood that at least a portion of the payments or gifts will be offered by the third-party to a Government Official;
- payments to third-parties, including charities, hospitals, and relief funds, made at the direction of or for the benefit of a Government Official;
- acts “in furtherance of” an improper payment, such as arranging for funds to be available for the improper payment;
- payments to retain assets, such as an “under the table” payment to a tax official to settle a tax claim; and
- “facilitation payments”, or payments made for the purpose of facilitating or expediting routine, lawful services or non-discretionary administrative actions.

Prohibited conduct applies to giving anything of value, not only money. Accordingly, providing business or employment opportunities, favorable contracts, gifts and entertainment, etc. are prohibited payments.

Additionally, this policy prohibits commercial bribery, often called “kickbacks” which is offering, promising or authorizing the payment of, or pay or provide anything of value to any private (non-government) parties to induce or reward the improper performance of any business-related activity. Further Personnel are prohibited from requesting, agreeing to receive, or accepting anything of value from any third parties as an inducement or reward for any business-related activity.

### **Facilitation Payments Prohibited**

Facilitation payments are small payments made to a non-U.S. Government Official for the purpose of facilitating or expediting routine, lawful services or non-discretionary administrative actions or services. Some examples include payments for obtaining an ordinary license or business permit, processing certain government applications or providing certain routine services such as telephone, power, water or police protection.

Although such payments may be permissible under the FCPA, they are prohibited under the UKBA and the laws of many other countries. Accordingly, in order to maintain compliance with the anti-corruption laws in all locations where we conduct business, facilitating payments are prohibited under this policy.

Personnel asked to make a facilitation payment should ask for clarity on what the payment is for and whether the amount requested is proportionate to the goods and/or services provided. Obtain a detailed receipt indicating the reason(s) for the payment and evidencing that the payment went directly to the appropriate party who provided the goods and/or services. Further, if you anticipate a situation that you believe may require a facilitation, contact Scoular’s General Counsel immediately.

### **Personal Safety Exception**

The Company recognizes the rare occasion that a demand for bribes may be accompanied by threats to personal safety. If you are subjected to an immediate threat of harm to personal safety, you should make whatever payment is necessary to protect your personal safety, and then, promptly notify Scoular’s General Counsel and the Chief Financial Officer of the incident and related payment.

### **Gifts, Entertainment, and Hospitality**

This policy requires Personnel to obtain prior written authorization from the Legal Department before providing anything of value to a Government Official.

Giving ordinary Company promotional materials that reflect Company’s business and/or logo and are of a nominal value (e.g., shirts, office supplies) and providing modest refreshments on an occasional basis in connection with business activities do not require prior approval, if they conform to the customs and laws of the official’s country, and are in compliance with any related Company policy (e.g. Travel and Expense).

Further, under certain circumstances, it may be permissible, with prior approval from the General Counsel, to provide modest gifts, entertainment or hospitality to a Government Official. However, Government Officials may be restricted in the benefits they can accept. Further, the practice of giving business gifts and taking part in entertainment or hospitality varies between countries and regions. Similarly, what may be viewed as small or insignificant in some countries can be of significant value in another.

Giving gifts, entertainment, and hospitality may be appropriate when:

- There is no expectation of any return favor or business advantage;
- The gift, meal, or entertainment is infrequent, modest, and reasonable;
- It is paid directly to the providers;
- It is fully and accurately reflected in the Company's books and records and backed by receipts;
- It is given openly and in the Company's name, not secretly;
- It does not include cash or a cash equivalent;
- There is no appearance or perception of an improper payment or a conflict of interest; and
- It does not exceed the amount permitted by the customs and laws of the Government Official's country.

When deciding whether a gift, entertainment or hospitality expenditure is appropriate, consider any past, pending or future business activities that the recipient may be involved with. Timing and context of gift giving could be perceived as a bribe.

### **Travel and Lodging Expenditures**

Travel, meals, entertainment and lodging expenses that are modest, reasonable and necessary under the circumstances, and that directly relate to the promotion, demonstration, or explanation of Company's products or services, may be permissible when paid for Government Officials. In every case, Personnel should obtain advance written approval from the General Counsel for such expenses, and such expenses must not be contrary to the law of the foreign country. Payment for travel and other expenses for spouses, family, or other guests of the officials and stipends or spending money are prohibited. All expenses must be properly and accurately recorded in the books and records and backed by receipts.

### **Political and Charitable Contributions**

Any contribution of Company funds or other assets for political or charitable purposes must be approved in advance by the General Counsel. This does not prevent Personnel from taking part in political activities or making charitable contributions on their own behalf. However, Personnel must never personally give or offer, directly or indirectly, monies or anything of value (including goods or services) to any political party, party official, candidate for political office, or charitable organization of any country to influence or reward any governmental act or decision or to obtain any

improper advantage. Donations to private charities in the name of a Governmental Official are prohibited, as such donation could be viewed as a bribe.

Even where not intended for an improper purpose, political contributions by the Company to U.S. federal, state, or local candidates may be prohibited or regulated under U.S. election laws. In addition, contributions by the Company to candidates in other countries may be prohibited or regulated by local law.

### **Red Flags**

The following types of activities may violate the FCPA and other anti-corruption laws. If you encounter one, please discuss with Scoular's General Counsel before taking further action.

- payment is being made in a country with a widespread history of corruption – e.g., China, Russia, certain Middle Eastern, Eastern European, South American, African and Asian countries;
- unusual payment patterns or financial arrangements, including payments to third parties or payments made to bank accounts outside the country;
- representative refuses to make anti-corruption-related certification;
- use of a shell or holding company that obscures ownership without credible explanation;
- a business reference who declines to respond to questions or who provides an evasive response;
- accusations of improper business practices or bribes (credible rumors or media reports, etc.);
- family or business relationship with the government or a Government Official;
- refusal to disclose officers, directors, owners, partners, or other principals;
- statements that a particular amount of money is needed to “get the business,” “make the necessary arrangements,” or comparable expressions;
- requests to receive commission or other payment before the award decision or other up-front payments;
- unusually high commissions, agents' fees or payments for goods or services;
- unusually high discounts for transactions involving representatives or other third-party intermediaries;
- lack of transparency in expenses and accounting records;
- apparent lack of qualifications or resources on the part of the representative to perform the services offered;
- the representative or joint venture partner has been recommended by an official of the potential governmental customer;
- requests for payment or reimbursement of exorbitant travel and entertainment expenses or gifts for foreign officials;
- requests to be able to make agreements without Company's approval;
- requests that agreements or communications be kept secret;

- lack of standard invoices, including invoices that lack detail as to services performed, or other substantiation;
- checks drawn to “cash” or requests for payment in cash.

### **Partners, Consultants, Distributors, Agents, and Other Third-Party Representatives**

Before hiring a Representative outside of the U.S., a senior leadership team member, or his/her designee, must conduct appropriate due diligence before initiating a relationship with any such Representative, which typically will include considering such factors as the Representative’s qualifications for the position or task at issue, whether the Representative has personal or professional ties to the government, the number and reputation of the Representative’s clientele, its reputation with local bankers, clients, and other business associates, the reasonableness of its compensation, the absence of secret partners, and the existence of any “red flags.”

Contracts with Representatives outside of the U.S. must be in writing and must contain certain provisions approved by the Legal Department.

A senior leadership team member, or his/her designee, is responsible for monitoring and conducting continued due diligence on existing Representatives to ensure that such Representative has not and will not engage in any improper conduct. The Company must terminate contracts with any third party who is unwilling or unable to represent the Company in a manner consistent with this policy.

### **Books and Records**

The Company implements and maintains internal accounting controls based on sound accounting principles. All payments, accounts, invoices and other documents and records relating to dealings with third parties must be prepared and clearly and accurately maintained. Employees must ensure that all expense reports relating to hospitality, entertainment, gifts or expenses incurred to third parties are submitted in accordance with the Company’s Travel and Expense Policy. No accounts or transactions must be kept “off book” to conceal improper payments.

### **Reporting Violations of this Policy**

If you are aware of a suspected or actual violation of this policy by others, you have a responsibility to report it. Reports can be made by:

- talking to your manager;
- contacting the next level manager or another member of management; or

- contacting the Senior Vice President and General Counsel – Megan Belcher:  
(402) 449-1448  
[mbelcher@scoular.com](mailto:mbelcher@scoular.com)
- contacting the Chief Human Resources Officer – Kurt Peterson:  
(402) 449-1442  
[Kpeterson@scoular.com](mailto:Kpeterson@scoular.com)

or by contacting the Company's complaint hotline Open Door, managed by our outside third-party provider EthicsPoint.

To make a report to EthicsPoint, visit <http://www.scoular.ethicspoint.com> and follow the prompts, or report the concern by phone:

U.S. and Canada: 855-845-3451  
Argentina: 0800-444-6303  
China: 4006013692  
Mexico: 001-844-451-7908  
Singapore: 800-110-2212  
Uruguay: 000-410 (at English prompt dial 855-845-3451)

Individuals who, in good faith, report concerns under this Policy should do so without fear of any form of retaliation. We will take prompt disciplinary action against any employee who retaliates against you, up to and including termination of employment.

### **Certification and Training**

From time to time, certain Personnel and/or Representatives will be required to complete anti-corruption and anti-bribery training. Such training will be directed by the Legal Department.

### **Enforcement/Consequences for Non-Compliance**

Employees who violate this Policy or fail to participate in any required Company training about this Policy may be subject to discipline up to and including, termination of employment. Representatives who violate this policy may be subject to termination of the business relationship. Further, Personnel and/or Representatives may be subject to criminal actions.