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## Table of Contents

|          |  |           |
|----------|--|-----------|
| <b>1</b> | <b>Purpose and Scope</b>                                   | <b>2</b>  |
| 1.1      | Purpose  | 2         |
| 1.2      | Scope  | 2         |
| <b>2</b> | <b>References</b>  | <b>2</b>  |
| <b>3</b> | <b>Definitions</b>   | <b>2</b>  |
| <b>4</b> | <b>Policy</b>  | <b>3</b>  |
| 4.1      | Unlawful, Improper, or Unethical Activities                | 3         |
| 4.2      | Improper Payments  | 4         |
| 4.3      | Payments to Government Officials                           | 4         |
| 4.4      | Political Contributions                                    | 5         |
| 4.5      | Charitable Contributions                                   | 5         |
| 4.6      | Record Keeping   | 5         |
| 4.7      | Gifts Received from Government Officials                   | 6         |
| 4.8      | Cash Payments  | 6         |
| 4.9      | Hiring Representatives                                     | 6         |
| 4.10     | Deviations   | 6         |
| 4.11     | Compliance   | 6         |
| <b>5</b> | <b>PROCEDURE</b>   | <b>7</b>  |
| 5.1      | Prohibited Payments  | 7         |
| 5.2      | Facilitating Payments                                      | 8         |
| 5.3      | Promotional and Marketing Expenses                         | 8         |
| 5.4      | Promotional Gifts  | 9         |
| 5.5      | Personal Safety Payments                                   | 9         |
| 5.6      | Political Contributions                                    | 10        |
| 5.7      | Charitable Donations                                       | 10        |
| <b>6</b> | <b>FINANCIAL AND ACCOUNTING REQUIREMENTS</b>               | <b>11</b> |
| 6.1      | Overall Responsibilities                                   | 11        |
| 6.2      | Specific Requirements                                      | 11        |
| <b>7</b> | <b>DUE DILIGENCE</b>                                       | <b>12</b> |
| 7.1      | Business Partners  | 12        |
| 7.2      | Suppliers  | 12        |
|          | ANNEX 1 - Description of the Foreign Corrupt Practices Act | 14        |
|          | ANNEX 2 - Description of the U.K. Bribery Act              | 17        |
|          | ANNEX 3 - The OECD Convention on Bribery                   | 20        |
|          | ANNEX 4 - Selected Countries' Anti-Corruption Laws         | 22        |

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## 1 Purpose and Scope

### 1.1 Purpose

Benchmark Electronics, Inc., including its subsidiaries and affiliates ("**Benchmark**"), strives to maintain the highest ethical and integrity standards throughout its worldwide operations, and seeks to avoid even the appearance of impropriety in the actions of its directors, officers, employees, and agents. Benchmark is subject to a number of United States and foreign laws that prohibit corruption, Bribery and certain business practices with Government Officials. Accordingly, the prohibitions and requirements of this Global Anti-Corruption Policy ("**Policy**") are designed not merely to comply with the U.S. Foreign Corrupt Practices Act ("**FCPA**") and other anti-corruption laws, but to go even further, to avoid *even the appearance* of questionable conduct in connection with Benchmark worldwide operations.

### 1.2 Scope

This Policy applies to all Benchmark directors, officers, and employees worldwide (hereinafter collectively referred to as "**Employees**"). The Policy also applies to Benchmark's international agents, consultants, joint venture partners, and any other third-party Representatives when acting on Benchmark's behalf (hereinafter collectively referred to as "**Representatives**"), as well as any others to whom this Policy applies by written agreement. Therefore, all Benchmark Employees and Representatives at all levels and all locations must be familiar with and strictly observe all requirements of this Policy. This Policy also contains standards of conduct and practices that must be followed in representing Benchmark before governmental authorities.

This Policy supplements the separate Gifts and Entertainment Policy. The Gifts and Entertainment Policy applies in most instances of private party transactions. Where the transaction involves a Government Official, Corruption or Bribery, as those terms are defined herein, then this Policy governs those transactions.

Benchmark recognizes that our Employees are citizens of many countries and that our operations are subject to many different laws, customs, and cultures. In some countries, Benchmark management may issue specific guidelines to conform to local anti-corruption laws, but always in line with the principles outlined in this Policy. Moreover, the international reach of Benchmark operations requires understanding that the term "foreign", as used in applicable laws and this Policy, may include any given country.

## 2 References

BE-00005      Gifts and Entertainment Policy  
BE-00200      Ethics and Compliance Policy  
BE-24012      Document Retention Policy

## 3 Definitions

The following definitions serve as a guide for some of the words or phrases that could possibly be left up to interpretation. These definitions can be added, removed, or changed as deemed necessary by Benchmark. These definitions are listed in the Global Record, Benchmark Glossary.

**“Bribe” or “Bribery”:** The improper offering, giving, receiving, or soliciting Payments for the purpose of influencing the conduct of the receiver, especially with regard to the action of an official in the discharge of his or her public or legal duties.

**“Corruption” or “Corrupt”:** An act done with intent to give more advantage inconsistent with one’s official duty and the rights of others; especially the act of an official who unlawfully and wrongfully uses his station or character to procure some benefit for himself or for another person, contrary to duty and the rights of others.

**“Facilitating Payment”:** is defined in the FCPA as payments made to secure or accelerate routine government procedures such as to: obtain licenses, permits, or other documents to qualify to do business in a foreign country; process visas or secure customs clearance; or secure police protection.

**“Government Official”** shall refer to: (i) any officer or employee (including any person nominated or appointed to be an officer or employee) of a government or department, agency, or instrumentality of a government (including a government-controlled enterprise), including any member of the armed forces; (ii) any person acting in an official capacity on behalf of a government or any department, agency, or instrumentality of a government; (iii) any officer or employee of a company or business owned in whole or part by a government; (iv) any officer, employee or person acting on behalf of a Public International Organization; (v) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; (vi) any candidate for political office; and/or (vii) family members of any of the foregoing.

**“Government”:** refers to an agency, instrumentality, subdivision or other body of any national, state or local government, including hospitals or other health facilities which are owned or operated by a government, and including regulatory agencies or government-controlled businesses, corporations, companies or societies.

**“Money or anything of value”:** includes, but are not limited to, cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value.

**“Payment”:** refers to and includes any direct or indirect offers to pay, promises to pay, authorizations of or payments of money or anything of value.

**“Public International Organization”:** includes such organizations as the World Bank, the International Finance Company, the International Monetary Fund, and the Inter-American Development Bank. Contact the Chief Compliance Officer with any questions as to whether an organization should be treated as a Public International Organization for the purpose of this Policy.

**“Third Party”:** includes any person not a party to the transaction. This could include any party/entity engaged with a Benchmark supplier or customer, but not actually engaged in transactions with Benchmark.

## 4 Policy

### 4.1 Unlawful, Improper, or Unethical Activities

Benchmark values ethical conduct, integrity, and transparency. Benchmark has zero tolerance for corrupt activities of any kind, whether committed by Employees or Representatives. The use of Benchmark funds, assets, or personnel for any unlawful, improper, or unethical purpose is

strictly prohibited. Employees and Representatives are expected to conduct every business transaction with integrity, regardless of differing local manners and traditions, and will comply with:

**4.1.1** The laws and regulations of the United States, particularly the U.S. Foreign Corrupt Practices Act ("**FCPA**");

**4.1.2** The anti-corruption and other applicable laws and regulations of other countries in which Benchmark operates, including the UK Bribery Act of 2010; and

**4.1.3** Benchmark policies and procedures, including the Ethics and Compliance Policy, Code of Conduct, and Gifts and Entertainment Policy.

Employees and Representatives must avoid any activity that might involve Benchmark (either directly or indirectly) in any violation of this Policy, the FCPA, or local law.

## **4.2 Improper Payments**

Employees or Representatives shall not, either on their own or at the request of any individual, commit a Corrupt act or make, offer to make, authorize, solicit, or accept any Bribe to or from any individual for the purpose of influencing, inducing, or rewarding any act, omission or decision to secure an improper advantage, obtain or retain business. In essence, Benchmark prohibits "quid pro quo" Payments whereby the Payment is made with the expectation of receiving in return an improper benefit or advantage. Improper Payments, or acts that create the appearance of promising, offering, giving or authorizing Payments prohibited by this Policy, will not be tolerated. Benchmark prohibits all Bribery in connection with its business anywhere in the world, whether government or private. Specifically, all Employees and Representatives are prohibited from (a) offering, promising or giving a Bribe to another person; and (b) requesting, agreeing to receive or accepting a Bribe in connection with any current or prospective Benchmark business for the purpose of improperly obtaining or rewarding favorable treatment.

The prohibitions apply to Payments, gifts, and entertainment on behalf of Benchmark, whether or not they involve the use of corporate resources (e.g., personal expenditure or entertainment).

Employees and Representatives are prohibited from paying, promising, authorizing, or offering to give, directly or indirectly (e.g., through a service agreement representative, customs broker, or other agent) to any Government Official, political party, party official, or political candidate, anything of value in order to influence any act or decision (including a decision not to act) of such official or to induce such official to use his or her influence to affect a government act or decision, or to secure any improper advantage.

## **4.3 Payments to Government Officials**

Benchmark Employees and Representatives are prohibited from directly or indirectly making, promising, authorizing, or offering Payments to a Government Official on behalf of Benchmark. This prohibition shall apply in all circumstances except the following three limited situations; provided, however, that even in the following circumstances, Employees and Representatives must obtain *written approval in advance* from the General Counsel and Chief Financial Officer (CFO) before making any facilitating payments, promotional payments or gifts to Government Officials.

**4.3.1 Facilitating Payments.** The Company allows limited Facilitating Payments only to the extent that such payments are legal under all applicable host country or other laws. Stated differently, if a Facilitating Payment is illegal under any applicable host country or other laws, then

the Company prohibits any such payment, even if the payment(s) would be otherwise allowed under the FCPA.

It is the overarching responsibility of Employees or Representatives to strive to avoid Facilitating Payments altogether. If any Associate or representative believes that a Facilitating Payment must be made, the General Counsel and the CFO must be consulted in advance to explore solutions that do not include making a Facilitating Payment. If the General Counsel and the CFO approve any Facilitating Payment, such payments must nevertheless conform to the procedure and guidelines in Section 5.2. Personal Safety Payments are allowed as provided in Section 5.5

**4.3.2 Promotional and Marketing Expenses.** Benchmark may pay for the reasonable cost of a Government Official's meals, lodging, or travel if, and only if, the expenses are directly related to the promotion, demonstration, or explanation of Benchmark products or services, or the execution of a contract with a foreign government, or agency thereof. Such promotional or marketing expenses must be bona fide and reasonable in light of routine business travel and entertainment. Any such promotional and marketing expense payments must conform to the procedure and guidelines in Section 5.3.

**4.3.3 Promotional Gifts.** Promotional gifts of nominal value may be given as a courtesy, as a token of regard or esteem, in recognition of services rendered properly, or to promote goodwill. Such gifts must be small in relation to the official's salary and should generally bear Benchmark's logo or trademark. Gifts or other items of value may not be given to influence any act or decision of a government official in his or her official capacity. Caps, pens, desk ornaments or similar bearing the Benchmark logo may constitute appropriate promotional gifts. Any such promotional gifts must conform to the procedure and guidelines in Section 5.4.

**Remember:** A Facilitating Payment under any of the above circumstances must be approved *in advance* by the Benchmark General Counsel and CFO. Promotional and Marketing Expenses and Promotional Gifts must be approved *in advance* by the Benchmark General Counsel and CFO. Please consult the Procedures for the appropriate process to follow under the circumstances.

#### 4.4 Political Contributions

Benchmark does not make contributions to candidates for foreign political office unless pre-approved in writing by the Chief Executive Officer and General Counsel of Benchmark. Employees and Representatives may not make political contributions, in cash or otherwise, through or on behalf of the company, without the prior authorization noted above.

#### 4.5 Charitable Contributions

Benchmark is committed to the communities in which it does business and permits reasonable donations to foreign charities. Employees and Representatives must ensure that donations are given only to bona fide charities and are only used for proper charitable purposes and not otherwise misapplied in violation of this Policy, the FCPA, or local law. Applicable procedures, to include obtaining approval from the General Counsel and CFO, are set forth in Section 5.7.

#### 4.6 Record Keeping

Employees and Representatives must ensure that Benchmark's books and records and internal controls meet the highest moral, ethical, and professional standards. Employees and Representatives must make and keep books, records, and accounts that, in reasonable detail, accurately and fairly reflect all payments, expenses, and transactions. All transactions involving

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Government Officials must be recorded completely and accurately so that the purpose and amount of any such payment is clear. No undisclosed or unrecorded funds or assets of Benchmark should be established for any purpose. False, misleading, or artificial entries should never be made in the books and records of Benchmark for any reason.

#### **4.7 Gifts Received from Government Officials**

Employees should not accept gifts from Government Officials. If, under extraordinary circumstances (e.g., diplomatic protocol, ceremonial recognition), it is not practical for the Associate to reject or return a gift, the gift must be turned over promptly to Benchmark, regardless of its nature or value, and reported to the General Counsel or Chief Compliance Officer.

#### **4.8 Cash Payments**

Cash payments of any kind to a third party, other than properly documented petty cash disbursements, are strictly prohibited. Company checks shall not be written to "cash," "bearer," or anyone other than the party entitled to payment.

#### **4.9 Hiring Representatives**

Employees are required to ensure that Representatives fully comply with this Policy, the FCPA, and local law. Under certain circumstances, this may require (a) a due diligence review to determine the representative's willingness to comply, and history of compliance, with this Policy, the FCPA, and local law, and (b) advance written approval from the General Counsel and CFO of Benchmark. Please consult Section 7 for the applicable process to follow.

#### **4.10 Deviations**

This Policy will control, even though local law or custom may permit business standards that are less restrictive. At times, observance of the Policy requirements may place Benchmark in a noncompetitive position. However, strict compliance with the Policy requirements and their underlying values and goals is of greater value to Benchmark than any business which may be lost.

Any deviation from this Policy requires the prior written approval of the General Counsel. Deviations will not be granted unless legal opinions have been obtained from competent outside counsel that the conduct for which approval is sought does not violate the anti-corruption laws.

#### **4.11 Compliance**

Employees who violate this Policy or the Procedures are subject to disciplinary action, up to and including dismissal. Representatives who violate this Policy are subject to termination of all commercial relationships with Benchmark. Employees or Representatives who suspect this Policy may have been violated must immediately notify their supervisor, their local human resources representative, the General Counsel, the Chief Compliance Officer at Country Code+1-979-848-5246, or the local ethics helpline number provided in the Benchmark Code of Conduct and posted at their facility. Any person who, in good faith, reports suspected legal, ethical, or Policy violations will not suffer any adverse consequences for having done so.

Any questions regarding compliance with these Policy requirements, laws, or any real or apparent inconsistency between U.S. and foreign anti-corruption laws, must be referred to the General Counsel or Chief Compliance Officer for resolution.

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## 5 PROCEDURE

### 5.1 Prohibited Payments

**5.1.1** The “corrupt practices” or “antibribery” provisions of the FCPA and other anti-corruption laws forbid payments of money or anything else of value to a foreign government official, political party, political party official, or candidate for political office, for the purpose of influencing any act or decision (including a decision not to act) of such official or to induce such official to use his or her influence to affect a government act or decision, in order to obtain or retain business or direct business to any person. The term “government official” is broadly defined to include any officer or employee of a government, state-owned agency or enterprise, or public international organization.

**5.1.2** Requests by Government Officials for Payments that would violate this Policy arise in varied settings and can be much more subtle than a direct request for a kickback or Bribe. The FCPA prohibits the provision of “anything of value” to a foreign official for improper purposes. This term is very broad, and can include any item of pecuniary value, including, for example:

- Gifts;
- Gift or sale of stock or other investment opportunities in other than an arm's length transaction for demonstrated fair market value, e.g., selling to an official at deflated prices or buying from an official at inflated prices;
- Contracts or other business opportunities awarded to a company in which a foreign official holds a beneficial interest;
- Medical, educational, or living expenses; or
- Travel, meals, lodging, shopping or entertainment expenses.

**5.1.3** As a practical matter, past FCPA enforcement actions have shown that the prohibition against improper Payments to “obtain or retain business” or to “secure any other improper advantage” covers virtually any improper Payment made in a business context. For example, Employees or Representatives and agents must not pay or give things of value to Government Officials, directly or indirectly:

- to obtain an interest in a business enterprise or to acquire a direct property interest;
- to prevent some governmental action, such as the imposition of a large tax or fine, or the cancellation of an existing government contract or contractual obligation;
- to obtain a license or other authorization from a government (such as the right to import goods and equipment) where the issuance involves the foreign official's or his/her government's discretion;
- to obtain confidential information about business opportunities, bids or the activities of competitors;
- to obtain the right to open an office, to secure a zoning ruling or to influence the award of a government contract;
- to influence the rate of taxes that would be levied on Benchmark's business;

- to obtain relief from government controls;
- to resolve governmental disputes, e.g., the resolution of tax deficiencies or a dispute over duties payable;
- to resolve commercial litigation in foreign courts;
- to affect the nature of foreign regulations or the application of regulatory provisions; or
- to secure any improper advantage.

## **5.2 Facilitating Payments**

**5.2.1** Although the FCPA provides a very limited exception for Facilitating Payments of money, gifts, or other things of value to Government Officials, Benchmark prohibits any Facilitating Payments that are improper under the U.K. Bribery Act and/or the applicable laws of the respective jurisdiction.

**5.2.2** It is the responsibility of the General Manager, or corresponding executive, at each location worldwide to make sure that Facilitating Payments are avoided. After consultation with the General Manager, or corresponding executive, at the location, if any Benchmark director, officer, employee, or consultant believes that a Facilitating Payment must nevertheless be made, the General Counsel and CFO must be consulted in advance to try to find a solution that does not include the making of the Payment. If the General Counsel and the CFO first determine that a payment is both lawful and should be approved, then the following guidelines shall apply.

- The nature and amount of each facilitating Payment must be clearly identifiable in the books, records and accounts of Benchmark division making the Payment.
- The amount of the facilitating payment must not be substantial. In some countries or circumstances, any payment in excess of US \$25 might be considered substantial, whereas in a different situation a payment of US \$50 might not be considered so substantial as to be prohibited. Benchmark requires its Employees and Representatives to exercise common sense and good judgment in making a facilitating payment, taking into account the Policy and local law and customs.
- Facilitating Payments to minor governmental employees whose duties are essentially ministerial or clerical, or to low level commercial employees in order to expedite the performance of their "Routine Government Actions" will be permitted on an exception basis. Examples of "Routine Government Actions" include customs clearance of materials and persons, issuance of driver's licenses, placement of international telephone calls, and providing police protection. These type of Payments typically occur in countries with pervasive corruption problems. Nevertheless, such Payments should not be made unless in accordance with the applicable laws and general practice in the country or locality where they are made.

## **5.3 Promotional and Marketing Expenses.**

The FCPA permits payments to or on behalf of Government Officials in connection with the sale, promotion, or demonstration of Benchmark products or services (e.g., a demonstration or tour of a Benchmark facility; a meeting to discuss business opportunities or operations) or in connection with the execution of a contract with a foreign government or agency thereof. Such expenses may include reasonable business entertainment.

**5.3.1 Approval Process.** Any request to make a payment for promotional or marketing expenses relating to a Government Official must be made in advance in writing (by email or otherwise) to the General Counsel and CFO, who will review the request and respond expeditiously.

**5.3.2 Requirements for Payments of Promotional and Marketing Expenses.** In countries where paying promotional and marketing expenses for Government Officials is customary and legally permissible, such payments may be made only if they meet all of the following conditions:

- **Reasonable Amount.** The amount of the expense or reimbursement must be reasonable in light of routine business travel and entertainment.
- **Directly Related to Promotion, Marketing, or Execution of Contract.** The expense must be directly related to either (a) the promotion, demonstration, or explanation of Benchmark products or services, or (b) the execution of a contract with a foreign government or agency thereof.
- **Accurate Record Keeping.** Employees and Representatives must carefully document and accurately describe promotional and marketing expenses in Benchmark's books and records. All promotional and marketing expenses must include the date the expense was incurred, the place where the entertainment or meeting took place, the name, firm and title of each person present, the business purpose of the function and the associated cost.
- **Bona Fide Business Purpose.** Hospitality or entertainment must be for bona fide business purposes only. As such, Employees or Representatives must be present throughout any event involving entertainment of Government Officials.

## 5.4 Promotional Gifts.

**5.4.1 Approval Process.** Any request to give a promotional gift to a Government Official must be made in advance in writing (by email or otherwise) to the General Counsel and CFO, who will review the request and respond expeditiously.

**5.4.2 Examples.** Permissible promotional gifts include:

- Books, plaques, or similar mementos commemorating an official government visit to a Benchmark facility, a Benchmark event, or an official visit by Benchmark executives to the offices of Government Officials; and
- Items of clothing bearing the Benchmark logo (shirt, T-shirt), or other promotional items of relatively small value (e.g., umbrellas, baseball caps) bearing the Benchmark logo or trademark in connection with a visit to a Benchmark facility or in connection with a company event.

## 5.5 Personal Safety Payments

**5.5.1** Benchmark recognizes that its personnel in various locations may confront situations where Payment is demanded to avoid physical harm. In these very limited circumstances, "Personal Safety Payments" may be justified. Examples of such circumstances include:

- Being stopped by persons claiming to be police, military, or paramilitary personnel, who demand Payment as a condition of passage of persons;

- Being threatened with imprisonment for a routine traffic or visa violation unless a Payment is made; and
- Being asked by persons claiming to be security personnel, immigration control, or health inspectors to pay for (or to avoid) an allegedly required inoculation or similar procedure.

Only under these or similar circumstances, and only where there is an imminent threat to the health or safety of Benchmark personnel, may a Personal Safety Payment be made without prior approval.

**5.5.2** If the need for a Personal Safety Payment can be anticipated, or if circumstances permit, the General Counsel or Chief Compliance Officer should be consulted before making any Payment.

**5.5.3** After a Personal Safety Payment is made, and as soon as possible (but no more than seven days) after the danger has passed, the Payment must be reported to the General Counsel or Chief Compliance Officer, and on an expense report, reflecting accurately the amount paid, the recipient, the means of Payment, and the circumstances under which the Payment was made. The General Counsel or Chief Compliance Officer will investigate and document the circumstances surrounding the Personal Safety Payment and work with Finance to ensure that the Payment is promptly and accurately recorded in Benchmark's books and records. A copy of the report documenting the investigation will be provided to the Benchmark Audit Committee.

## **5.6 Political Contributions**

Benchmark funds, assets, and personnel may not be used to make any political contribution, or render assistance to any foreign political party or candidate for foreign political office without the prior written approval of the General Counsel and Chief Executive Officer. Employees and Representatives may not make political contributions, in cash or otherwise, through or on behalf of Benchmark without the prior written approval indicated herein. Prohibited contributions/donations include:

**5.6.1** Using or loaning Company personnel or property for political party work or campaign activities (e.g., paid leave of absence, additional vacation time, use of Benchmark facilities); and

**5.6.2** Guaranteeing the debt of any political candidate, party, or political organization.

## **5.7 Charitable Donations.**

Employees and Representatives are required to ensure that charitable donations are given only to bona fide charities and are only used for charitable purposes and not otherwise misapplied in violation of this Policy, the FCPA, or local law.

**5.7.1 Approval Process.** Employees and Representatives are required, under certain circumstances as set forth in subsection 5.7.2 below, to obtain written approval prior to making a charitable donation. Any such request must be made in writing (by email or otherwise) to the General Counsel and CFO, who will review the request and respond expeditiously.

**5.7.2 Requirements.** Unless otherwise authorized by written Benchmark policy or guidance, advance written approval by the General Counsel and CFO of a charitable donation is required under any of the following circumstances:

- The donation exceeds USD \$100 in amount or value;

- The donation is being made at the national rather than local level;
- The charity refuses to issue a receipt, or suggests that the gift be made anonymously;
- The donation is directed to accounts in a third country;
- An officer, director, or employee of the charity has family or other ties to a government official;
- The donation and intended recipient are suggested by a government official; or
- There is any suggestion that the donation may influence government action or incline the government or a government official to look more favorably on Benchmark.

**5.7.3 Due Diligence.** A request for approval under the preceding circumstances must be accompanied by a written due diligence report on the intended recipient of the donation. The Chief Compliance Officer will assist the Associate or representative in developing a due diligence checklist similar to that outlined in Section 7 applicable to consultants, agents, and other third-party Representatives.

## 6 FINANCIAL AND ACCOUNTING REQUIREMENTS

### 6.1 Overall Responsibilities.

The Chief Financial Officer (“CFO”) ensures that the accounting and recordkeeping activities of Benchmark adhere to the highest standards and conform to this Policy. Yet with regard to ethics, legality, and propriety, each officer and employee involved with financial and accounting functions has an obligation to be alert to possible violations of the following financial and accounting Requirements and must report suspected violations to the General Counsel and Chief Compliance Officer.

### 6.2 Specific Requirements.

**6.2.1** All cash, bank accounts, investments, and other assets of Benchmark always must be recorded accurately in any books or records of Benchmark. In accordance with Benchmark internal controls and policy, personnel responsible for Benchmark’s financial books, records, and internal accounting controls periodically must review these books, records, and controls to ensure their compliance with anti-corruption laws. Bank accounts should be opened or closed only upon the prior written approval of the CFO. Anonymous (“numbered”) accounts must not be maintained.

**6.2.2** Payments must not be made into anonymous bank accounts or other accounts not in the name of the payee or of an entity known to be controlled by the payee.

**6.2.3** Except for regular, approved cash payroll Payments and normal disbursements from petty cash supported by signed receipts or other appropriate documentation, Payments must not be made in cash. Checks must not be drawn to the order of “cash,” “bearer,” or similar designations.

**6.2.4** Fictitious invoices, over-invoices, or other misleading documentation must not be used.

**6.2.5** Fictitious entities, sales, purchases, services, loans, or financial arrangements must not be used.

**6.2.6** Check requests must be in writing and contain a complete explanation of the purpose of and authority for the Payment, together with any supporting documentation. The check request and supporting documentation must be kept on file at the paying location.

**6.2.7** Payments for Benchmark purchase orders must be made in accordance with corporate policies. No purchase orders may be entered into with, and no Payments may be made to, a Government Official or an officer or official of a foreign government-owned or -controlled commercial enterprise. Any such purchase orders and related Payments must be made to the foreign government or foreign government-owned or -controlled commercial enterprise.

**6.2.8** Payments for any services rendered to Benchmark by a Government Official or an officer or official of a foreign government-owned or -controlled commercial enterprise, including honorarium Payments and reimbursement of expenses, must be made solely to the foreign government agency or instrumentality employing the individual. Payments must be made by check directly to the foreign government agency or instrumentality, or by wire to its named bank account in the foreign government agency's or instrumentality's country, or by wire through its duly authorized correspondent bank in the United States. No such Payment may be made without the prior written approval of the CFO and General Counsel.

**6.2.9** Receipts, whether in cash or checks, must be deposited promptly in a bank account of Benchmark. Any director, officer, or employee who suspects the possibility that a Bribe, kickback, or over-invoice is associated with a particular receipt or Payment, or that an understanding exists that all or a portion of a receipt or Payment will be rebated, refunded, or otherwise paid in contravention of the laws of any jurisdiction, must immediately report that suspicion to the CFO and the General Counsel or Chief Compliance Officer.

## **7 DUE DILIGENCE**

### **7.1 Business Partners.**

Before engaging any business partner, a risk-based anti-corruption due diligence must be conducted to determine whether there is a reasonable risk that the business partner could pay or authorize improper Payments to a foreign official, or has done so in the past. With the exception of those Suppliers addressed in 7.2, this requirement includes resellers, vendors, consultants (e.g., marketing), agents (e.g., exporters), lawyers, accountants, third-party Representatives, joint venture partners, and acquisition targets. The due diligence requires fact-collecting on the potential international partner, consultation with the General Counsel and CFO, and anti-corruption certification by the potential international partner.

Supporting documentation for the due diligence must be maintained as specified in Benchmark Document Retention Policy, which is for five years after completion of the due diligence or after conclusion of the business relationship with the business partner, whichever is later.

### **7.2 Suppliers**

**7.2.1** Benchmark will conduct risk-based anti-corruption due diligence on international suppliers of goods and services in its global supply chain. Global Procurement will require international suppliers, when retained and on a periodic basis thereafter, to provide relevant information to evaluate compliance risk under the anti-corruption laws. Upon request, the Chief Compliance Officer will review the prospective supplier's information and consider other risk factors (such as whether the supplier is in a high risk country on the Transparency International Corruption

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Perceptions Index) to determine whether further due diligence is required. Global Procurement will include appropriate provisions in its acquisition procedures to implement this requirement.

**7.2.2** Benchmark will conduct risk-based anti-corruption due diligence on other third parties performing services on its behalf such as freight forwarders and customs brokers. This due diligence will be performed in accordance with risk assessment guidance that may be issued periodically by the Chief Compliance Officer.

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### ANNEX 1 - Description of the Foreign Corrupt Practices Act

1. General. The FCPA requires certain U.S. companies, including Benchmark, to establish accounting and recordkeeping controls that will prevent the use of “slush funds” and “off-the-books” accounts, which have been used in the past by some companies as a means of making and concealing questionable foreign Payments. In particular, the FCPA requires companies to establish and keep books, records, accounts, and controls that accurately and fairly reflect their transactions and disposition of their assets. The FCPA also requires all directors, officers, and employees of Benchmark to record accurately, and in a fully transparent manner, all expenses incurred by Benchmark regardless of the amount.
2. Anti-Bribery Provisions (Prohibitions). The FCPA prohibits U.S. persons (and non-U.S. persons while in the United States) from corruptly promising, authorizing, offering, or giving money or anything of value, directly or indirectly through agents or intermediaries, to Government Officials to assist in “obtaining or retaining business.” Specifically, the FCPA prohibits any act corruptly done in furtherance of an offer, Payment, promise to pay, gift, promise to give, or authorization of the giving of “anything of value” to:
  - a. Any foreign official (see paragraph 4.10);
  - b. Any foreign political party or party official or any candidate for foreign political office; or
  - c. Any person (including any consultant), while knowing (or being aware of a high probability) (see paragraph 6.a for the FCPA’s knowledge standard) that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official, any foreign political party or party official, or any candidate for foreign political office for purposes of (a) influencing any act or decision or inaction of the foreign official, foreign political party, party official, or candidate for foreign political office or securing any improper advantage; or (b) inducing such foreign official, party, party official, or candidate to use his, her, or its influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality to assist in obtaining or retaining business for or with, or directing business to, any person.
3. Facilitating Payments and Affirmative Defenses.
  - a. The FCPA contains a limited exception for facilitating or expediting Payments to any foreign official, political party, or party official, “the purpose of which is to expedite or secure performance of a routine governmental action.” The term “routine governmental action” does not include any decision by a foreign official on whether, or on what terms, to award new business to or continue business with a particular party, or any action taken by a foreign official involved in the decision-making process to encourage a decision to award new business or to continue business with a particular party. It also does not include misuse or abuse of a foreign official’s discretionary authority or deviation from the foreign official’s official duties. Benchmark prohibits facilitating Payments. Personal Safety Payments are allowed as provided in paragraph 5.5.
  - b. The FCPA also contains two affirmative defenses for:
    - i. “Reasonable and bona fide” expenditures, such as travel and lodging expenses, incurred by or on behalf of a foreign official, party, party official, or candidate that are directly related to the promotion, demonstration, or

- iii. explanation of products or services or the execution or performance of a contract with a foreign government or agency of a foreign government; and
- ii. Payments to Government Officials that are lawful under the written laws and regulations of the foreign official's country.
- c. Regardless of the FCPA, the facilitating Payment exception and the affirmative defenses to the prohibitions in paragraph 2 cannot be used or relied upon except in accordance with Section 5.2.

#### 4. Penalties—Fines and Imprisonment.

The FCPA's penalties for violation of the anti-bribery provisions include fines of up to \$2,000,000 per violation for companies and fines of up to \$100,000 and/or imprisonment for up to five years per violation for individuals. The FCPA prohibits a company from reimbursing a director, officer, employee, or consultant for the amount of the fine involved. Individuals are subject to criminal liability under the FCPA regardless of whether the company has been found guilty or prosecuted for a violation.

#### 5. Applicability

- a. As amended in 1998, the jurisdictional reach of the FCPA extends to "any person," including any foreign person or firm, which commits a prohibited act in the United States. The FCPA applies to foreign nationals, foreign corporations (including foreign subsidiaries of U.S. companies), and other foreign entities whose directors, officers, employees, or agents commit a corrupt act while in the United States.
- b. The FCPA, as amended, also applies to U.S. nationals and U.S. companies that commit prohibited acts outside the United States, regardless of the use of any instrumentality of interstate commerce. A U.S. company may be held liable for the acts of its directors, officers, employees, or agents (including its foreign subsidiaries) outside the United States, regardless of the nationality of the person taking the action and regardless of the use of an instrumentality of interstate commerce.
- c. A U.S. company may be held vicariously liable under the FCPA for the corrupt conduct of its foreign subsidiaries outside the United States if the U.S. company authorized or participated in the conduct. Any U.S. national who is a director, officer, employee, or agent of a foreign subsidiary also may be held liable under the FCPA for acts in furtherance of the Bribery of a foreign official, whether or not such acts are performed within or outside the territory of the United States.

#### 6. Key Terms

- a. It is unlawful under the FCPA to make a Payment to a third party intermediary, while knowing that all or a portion of the Payment will go directly or indirectly to a foreign official. Intermediaries may include joint venture partners, consultants, teammates, or other persons acting on behalf of Benchmark. Under the FCPA, "knowing" conduct requires awareness or a firm belief that the agent, representative, or other third party is making a corrupt Payment, or a substantial certainty that this will occur. The FCPA knowledge standard also is met where there is awareness of a high probability that the corrupt Payment will be made, unless there is actual belief to the contrary. Willful ignorance (sticking one's head in the sand) is not excused. There may be circumstances in which a director, officer, employee, or consultant of Benchmark becomes aware of facts which, while in and of themselves do not cause the individual either to know or believe

that a foreign official will be the ultimate recipient of a Bribe, should cause suspicion. In these circumstances, if the individual fails to take steps to allay that suspicion, he or she may risk prosecution under the FCPA, as the director, officer, employee, or consultant may be accused of having had the requisite knowledge for a violation.

- b. Although the FCPA does not define “instrumentality” of a foreign government, the term should be construed to include entities that are wholly or partially owned by a foreign government, such as the Saudi Arabian Airlines Company (“Saudi”) or a specially chartered private corporation entrusted with quasi-governmental functions, as well as organizations such as ARABSAT, because the majority of the membership of those organizations is composed of foreign governments and quasi-governmental entities. An entity partially owned by a foreign government will be deemed to be an “instrumentality” for FCPA purposes under this Policy when the foreign government holds the majority of the entity’s subscribed capital, controls the majority of the votes attached to the shares issued by the entity, or can appoint the majority of the entity’s administrative or managerial body or supervisory board. An entity also will be deemed to be an “instrumentality” under this Policy where the foreign government has a significant ownership interest representing less than a majority but is the single largest shareholder, has the power to appoint board members (less than a majority), combined with negative veto powers, and has the power to exercise effective or de facto control. This list is not exhaustive. Questions about whether an entity is an instrumentality must be referred for resolution to the General Counsel or Chief Compliance Officer.

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## ANNEX 2 - Description of the U.K. Bribery Act

### 1. Commercial Bribery

Unlike the FCPA, the U.K. Bribery Act also prohibits Bribery in the private sector. The U.K. Bribery Act prohibits:

- a. Offering, promising, or giving a financial or other advantage to another person, whether a national of the U.K., U.S. or elsewhere, with the intention of inducing or rewarding a person to perform certain functions improperly, where there is an expectation that those functions are to be performed in good faith, impartially, or in a position of trust; and
- b. Requesting, agreeing to receive, or accepting a financial or other advantage from another person whether a national of the U.K., U.S. or elsewhere, intending that, in consequence, a relevant function or activity (as explained above) should be performed improperly or as a reward for the improper performance of a relevant function.

Accordingly, in order to comply with the U.K. Bribery Act, the provisions and principles relating to activities involving "Government Officials" in this Policy also must be taken into account when dealing with private persons (both in the U.S. and elsewhere).

### 2. Bribery of a Foreign Public Official

Like the FCPA, the U.K. Bribery Act prohibits persons from offering, promising, or giving a financial or other advantage to a foreign public official with the intent to influence the official in his or her capacity as such and with the intent to obtain or retain business or an advantage in the conduct of business. The term "foreign public official" includes individuals holding a legislative, administrative, or judicial position, whether appointed or elected, of a country or territory outside the U.K.; individuals exercising a public function (e.g., public agencies and state-owned enterprises) outside of the U.K.; and officials or agents of public international organizations.

### 3. Failure to Prevent Bribery by Commercial Organizations

The U.K. Bribery Act makes it a crime for commercial organizations, such as Benchmark, to fail to prevent Bribery by persons associated with the organization. A commercial organization will be criminally liable if a person associated with it offers, promises, or gives a financial or other advantage to another person to obtain or retain business or a business advantage for the organization. A "person associated with the organization" is a person or firm that performs services for or on behalf of the organization and includes employees, agents, and subsidiaries.

### 4. Adequate Procedures Defense

It is a defense to the failure to prevent Bribery offense if the commercial organization can demonstrate that it had adequate procedures in place designed to prevent persons associated with the organization from undertaking such Bribery. These adequate procedures should be based on the six broad principles for Bribery prevention provided by U.K. government guidance:

- a. Proportionate procedures – that a corporation has anti-bribery procedures that are proportionate to the corporation's Bribery risks and to the nature, scale, and complexity of the corporation's operations;
- b. Top level commitment – that a corporation has top level management who are committed to preventing Bribery and who foster a culture where Bribery is unacceptable;

- c. Risk assessment – that a corporation conducts an informed assessment of the nature and extent of potential Bribery risks on a regular basis and documents those efforts;
- d. Due diligence – that a corporation applies proportionate due diligence procedures to mitigate identified Bribery risks;
- e. Communication – that a corporation communicates its Bribery prevention policies and procedures to its members, including through training, in a manner that is proportionate to the corporation's Bribery risks; and
- f. Monitoring and review – that a corporation monitors and reviews its anti-bribery procedures and makes improvements where necessary.

This Policy is part of Benchmark's adequate procedures designed to prevent Bribery. Understanding and following this Policy are therefore critical.

#### 5. Hospitality and Promotional Expenditures

Reasonable and proportionate incidental business hospitality of a small value which seeks to improve Benchmark's image, to better present Benchmark's services, or to establish a cordial business relationship is permissible under the U.K. Bribery Act, provided that the purpose of the hospitality is not to induce improper action or secure an improper business advantage. Whether the hospitality is provided for bona fide reasons and the reasonableness and proportionality of the hospitality will be determined by the surrounding circumstances.

#### 6. Facilitating Payments

Unlike the FCPA, the U.K. Bribery Act does not contain an exception for facilitating Payments. Offering, promising, or giving a financial or other advantage, regardless of its size or amount, to any foreign public official is a violation of the U.K. Bribery Act if it is done with the intent to influence the foreign public official in his or her official capacity and to obtain or retain business or a business advantage. Similarly, offering, promising, or giving a financial or other advantage, including a Payment, regardless of its size or amount, to another person violates the general Bribery provisions of the U.K. Bribery Act if it is done with the intent to induce or reward improper performance of a relevant function or activity, or when knowing or believing that acceptance of the advantage would itself constitute the improper performance of a relevant function or activity. Benchmark prohibits facilitating Payments.

Personal Safety Payments are allowed as provided in Section 5.5. A Payment made by an individual who reasonably believes that his or her health or safety would be threatened without the Payment is not a prohibited facilitating Payment under this Policy.

#### 7. Penalties and Imprisonment

Persons convicted of commercial Bribery or Bribery of a foreign public official are subject to imprisonment up to 10 years and an unlimited fine. Commercial organizations convicted of commercial Bribery or Bribery of a foreign public official are subject to an unlimited fine and debarment from contracts under Article 45 of the E.U. Public Sector Directive. Commercial organizations convicted of failure to prevent Bribery are subject to an unlimited fine. Additionally, senior officers (directors, managers, company secretaries, or similar officers) of a corporation that commits an offense of either commercial Bribery or Bribery of a foreign public official also may be guilty of the offense if it was committed with the consent or connivance of that senior officer.

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## 8. Applicability

The U.K. Bribery Act provisions related to commercial Bribery and Bribery of Government Officials (including U.S. public officials) apply to offenses committed in the U.K. and offenses committed outside of the U.K. where the person has a close connection with the U.K. (e.g., a British citizen or other category of passport holder, a person ordinarily resident in the U.K., or an entity incorporated in the U.K.). Provisions related to the failure to prevent Bribery extend to organizations incorporated or formed in the U.K. and organizations carrying on a business or part of a business in the U.K., regardless of the place of incorporation or where the offense is committed. For example, Benchmark could be subject to liability for Bribes paid in a third country because it carries on a business or part of a business in the U.K. Benchmark could be regarded as carrying on a business or part of a business in the U.K. if it has a demonstrable business presence in the U.K.

### ANNEX 3 - The OECD Convention on Bribery

All countries that signed the Organization for Economic Cooperation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions have adopted laws criminalizing Bribery of Government Officials (below). Click [here](#) to view the list of countries that signed the Convention. Relevant excerpts of the OECD Bribery Convention that should be expected in all member countries' laws are below.

*Excerpts from the*  
**CONVENTION ON COMBATING BRIBERY OF FOREIGN PUBLIC OFFICIALS  
IN INTERNATIONAL BUSINESS TRANSACTIONS<sup>1</sup>**

#### Article 1 - The Offence of Bribery of Foreign Public Officials

1. Each Party shall take such measures as may be necessary to establish that it is a criminal offence under its law for any person intentionally to offer, promise or give any undue pecuniary or other advantage, whether directly or through intermediaries, to a foreign public official, for that official or for a third party, in order that the official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain business or other improper advantage in the conduct of international business.
2. Each Party shall take any measures necessary to establish that complicity in, including incitement, aiding and abetting, or authorisation of an act of bribery of a foreign public official shall be a criminal offence. Attempt and conspiracy to bribe a foreign public official shall be criminal offences to the same extent as attempt and conspiracy to bribe a public official of that Party.
3. The offences set out in paragraphs 1 and 2 above are hereinafter referred to as "bribery of a foreign public official".
4. For the purpose of this Convention:
  - a) "foreign public official" means any person holding a legislative, administrative or judicial office of a foreign country, whether appointed or elected; any person exercising a public function for a foreign country, including for a public agency or public enterprise; and any official or agent of a public international organisation;
  - b) "foreign country" includes all levels and subdivisions of government, from national to local;
  - c) "act or refrain from acting in relation to the performance of official duties" includes any use of the public official's position, whether or not within the official's authorised competence.

#### Article 2 - Responsibility of Legal Persons

Each Party shall take such measures as may be necessary, in accordance with its legal principles, to establish the liability of legal persons for the bribery of a foreign public official.

#### Article 3 - Sanctions

1. The bribery of a foreign public official shall be punishable by effective, proportionate and dissuasive criminal penalties. The range of penalties shall be comparable to that applicable to the bribery of the Party's own public officials and shall, in the case of natural persons, include deprivation of liberty sufficient to enable effective mutual legal assistance and extradition.

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<sup>1</sup> © OECD 2011

2. In the event that, under the legal system of a Party, criminal responsibility is not applicable to legal persons, that Party shall ensure that legal persons shall be subject to effective, proportionate and dissuasive non-criminal sanctions, including monetary sanctions, for bribery of foreign public officials.

3. Each Party shall take such measures as may be necessary to provide that the bribe and the proceeds of the bribery of a foreign public official, or property the value of which corresponds to that of such proceeds, are subject to seizure and confiscation or that monetary sanctions of comparable effect are applicable.

4. Each Party shall consider the imposition of additional civil or administrative sanctions upon a person subject to sanctions for the bribery of a foreign public official.

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#### Article 7 - Money Laundering

Each Party which has made bribery of its own public official a predicate offence for the purpose of the application of its money laundering legislation shall do so on the same terms for the bribery of a foreign public official, without regard to the place where the bribery occurred.

#### Article 8 - Accounting

1. In order to combat bribery of foreign public officials effectively, each Party shall take such measures as may be necessary, within the framework of its laws and regulations regarding the maintenance of books and records, financial statement disclosures, and accounting and auditing standards, to prohibit the establishment of off-the-books accounts, the making of off-the-books or inadequately identified transactions, the recording of non-existent expenditures, the entry of liabilities with incorrect identification of their object, as well as the use of false documents, by companies subject to those laws and regulations, for the purpose of bribing foreign public officials or of hiding such bribery.

2. Each Party shall provide effective, proportionate and dissuasive civil, administrative or criminal penalties for such omissions and falsifications in respect of the books, records, accounts and financial statements of such companies.

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#### ANNEX 4 - Selected Countries' Anti-Corruption Perception Index

In addition to the global application of the FCPA and UK Bribery Act, many other countries have adopted anti-corruption laws, some in connection with their OECD Bribery Convention obligations.

The “**Corruption Perceptions Index 2020**”<sup>2</sup>, indicated herein with an “\*\*”, ranks countries/territories based on how corrupt their public sector is perceived to be on a scale of 0 - 100, where 0 means that a country’s public sector is perceived as highly corrupt and 100 means that a country’s public sector is perceived as honest and forthright. The table below provides the public sector perception score for the countries where Benchmark operates.

| Country                      | Score |
|------------------------------|-------|
| China                        | 42    |
| Malaysia                     | 51    |
| Mexico                       | 31    |
| The Netherlands              | 82    |
| Romania                      | 44    |
| Singapore                    | 85    |
| Thailand                     | 36    |
| The United States of America | 67    |

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<sup>2</sup> Compiled by [Transparency International](#), an organization whose mission is to stop corruption and promote transparency, accountability, and integrity at all levels and across all sectors of society.

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**Revision History**

| Date       | Rev | Reason for Change:   | ECO Number: |
|------------|-----|--|-------------|
| 08/25/2022 | C   | Various updates; removed notations on various country's anticorruption laws. | CORP004942  |
|            |     |  |             |
|            |     |  |             |