



ESTEC LTD.

ANTI-BRIBERY & ANTI-CORRUPTION POLICY

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Introduction

The success of ESTEC as a company is built upon a foundation of integrity – a longstanding commitment to act with the highest ethical standards and to conduct business honestly and legally.

Our Code of Business Conduct reflects this commitment, offering guidelines and standards that define how we run our business.

The Global Anti-Bribery and Anti-Corruption Policy focuses on two of the Worldwide Code of Business Conduct standards: “Compliance with Laws, Rules and Regulations” and “Government Officials”. Its purpose is to help the employees of ESTEC to identify and avoid situations that could potentially violate anti-bribery and anti-corruption laws.

Understanding anti-bribery and anti-corruption laws is not always easy. Employees must be familiar with the rules described in this policy and regularly refresh their understanding of these rules.

Bribery is illegal and will expose both you and ESTEC to fines and other penalties including imprisonment. It is also against our company values. For these reasons, compliance with this policy is mandatory for all employees of ESTEC.

ESTEC is committed to complying with Anti bribery/Anti corruption laws in all countries where it operates or where its products are supplied directly or through other agents.

We all share responsibility for complying with this policy.

Thank you,

Estec Ltd.

A. Policy Statement and Scope

1. Overall Statement of Policy

ESTECC will only conduct business in compliance with the law. This means that we will not authorize, pay, promise or offer to give anything to a government official in order to improperly influence that individual to act favorably towards ESTECC. We will not request or authorize any third party to make any such payment, promise or offer. Such behavior constitutes bribery and is unacceptable business conduct wherever ESTECC operates or wherever its products are supplied or sourced.

Failure to comply with any provision of this Code or company policy is a serious violation, and may result in disciplinary action, up to and including termination, as well as civil or criminal charges.

2. Scope of the Policy

This policy defines the minimum standards that all ESTECC employees must observe when dealing with government officials. If you are in a situation that may raise anti-bribery concerns or if you are uncertain about how to proceed, consult your General Manager, or the Managing Director before acting. Additionally, if you suspect or have reason to suspect that an employee or business partner is even using his or her own funds to make such payments, you must report your suspicions to the General Manager or the Managing Director.

ESTECC also prohibits its Employees from indulging in commercial bribery (*i.e.*, bribery of private individuals).

B. Who is a Government Official?

A government official includes anyone, regardless of rank, who is:

- a) An officer or employee of any local, provincial or national government; (example, members of parliament, police officers, firefighters, members of the military, tax authorities, customs inspectors, etc.)
- b) A director, officer, representative, agent or employee of any government owned or controlled business or company.
- c) An officer or employee of a public international organization (for example, the United Nations, International Olympic Committee, International Red Cross, World Bank, etc.);
- d) Any person acting in an official capacity or on behalf of any government or public international organization (for example, an official advisor to a government);
- e) Any officer or employee of a political party;
- f) Any candidate for political office; and
- g) A close relative (for example, parent, sibling, spouse or child) of any of the above.

C. What Are Some Examples of Bribes, Influencing A Government Official and Improper Actions or Conduct in Favor of ESTECC ?

1. Some examples of bribes include, but are not limited, to the following:

- a. Cash, cash equivalents (e.g., gift checks) or loans to government officials, their family members or associates (associates include anyone described above in Section B);
- b. Payments for travel or entertainment of government officials, their family members or associates;
- c. Favors, including offers of employment or internships to government officials, their family members or associates;

- d. Gifts (e.g. perfume, jewelry, use of club membership) to government officials, their family members or associates,
- e. Donations to a charity affiliated with or sponsored by a government official, his/her family members or associates; and
- f. Political contributions to political parties or candidates.

2. Some examples of improperly influencing a government official to act favorably towards ESTEC include, but are not limited to, offering a gift, no matter how small in value where:

The government official would not act if you did not make the gift, and you give a gift to increase the chances that the government official will take such action; and The government official has the choice to act or not and makes a decision based on the gift.

3. Some examples of improper business advantage include, but are not limited to, when a government official:

- a. Overlooks a violation or tolerates non-compliance with relevant laws (e.g., environmental or worker safety laws);
- b. Does not perform a task that should otherwise be performed (e.g., does not conduct a required inspection prior to issuing a permit);
- c. Reduces customs duties; and
- d. Grants a favorable tax treatment.

REMEMBER:

The mere appearance of influencing a government official may be sufficient to trigger an allegation that bribery has been committed.

Even an attempt to bribe a government official is unacceptable. It is still illegal even if the offer is not accepted or the payment does not achieve the desired outcome.

Even if there is no intent to improperly influence a government official, there is still a risk if the recipient is unduly influenced, or if the recipient perceives a gift as an attempt to influence him/her to act favorably towards ESTEC.

Even the perception of impropriety can cause embarrassment to ESTEC; damage its reputation and force the company to pay exorbitant litigation fees in its defense.

D. Travel, Entertainment and Gifts: Are They Bribes?

1. Travel and Entertainment

The nature of ESTEC's business makes it unlikely that travel will be required by a government official in the course of legitimate business dealings with ESTEC. In rare instances where travel may be required, you **MUST OBTAIN WRITTEN APPROVAL** from the General Manager or the Managing Director before such travel is authorized.

In instances where business entertainment may be required, the following guidelines **MUST** be followed:

- a. The entertainment expenses must be permitted under local government rules, regulations or policies that apply to the government official(s) in question.
- b. Entertainment must be directly related to a government official's participation in a business meeting with ESTEC.
- c. Entertainment must be reasonable, measured against (a) the prevailing market rates for similar expenditures; (b) the amount of the expenditure compared to the government official's salary; and (c) custom, both locally and within the industry. Lavish or expensive travel or entertainment is prohibited.
- d. Entertainment should be limited to no more than two (2) times in one calendar year to the same government official.
- e. Entertainment provided to government officials should be reasonable and not cause embarrassment to ESTEC or damage its reputation.
- f. Entertainment must be provided in an open and transparent manner (for example, by providing the supervisor(s) of the invited party with a formal written invitation that lays out the nature of the expenses and requires a written response); otherwise, it may be viewed as an attempt to influence an official act.
- g. No entertainment can be provided to any family member of a government official.
- h. Do not provide cash allowances or pay vendors directly for entertainment expenses. In the exceptional circumstance where a government official needs to be reimbursed for such expenses, obtain original receipts which should contain itemized descriptions of the expenses incurred; this will ensure that s/he is not also seeking reimbursement from the government.
- i. Book all expenditures accurately in ESTEC books and maintain records.
- j. Do not use personal funds to do something that would be prohibited under this Policy.

2. Gifts

As a general rule, no gifts should be given to government officials. Where gifts are given, they must comply with local laws and the following guidelines:

- a. Gifts must conform with local laws.
- b. Gifts must be of nominal value (maximum value \$50 U.S. or local equivalent), and the maximum amount for giving gifts to the same government official per calendar year is \$100.
- c. Gifts must be given in an open and transparent manner and not to influence a government official's action or conduct.
- d. Gifts must be infrequent and exclude family members of government officials. All gifts must be properly recorded in ESTEC's books and records.
- e. Gifts must never be in cash or in cash equivalents.

Examples of gifts that typically meet the above requirements and are normally unproblematic include:

- a. Small mementos and sales promotional items (e.g., mugs, pens or calendars) bearing ESTEC's name.
- b. Customary or seasonal gifts of modest value not exceeding \$50 U.S. and applicable under local law (e.g., congratulatory flowers or fruit baskets).

E. Charitable Donations: Are They Bribes?

Bona fide donations made pursuant to ESTEC's policy on donations are not bribes because they are made for a purely charitable purpose.

To ensure that no donation is used to camouflage a bribe, and that no donation can be misconstrued as a bribe, any donation given on behalf of ESTEC. Should comply with the following guidelines:

Any request for a donation must be made in writing and must sufficiently describe the charitable purpose of the donation, any business reason for the donation, and all details about the recipient. The recipient must be screened to determine that it is a legitimate charitable organization.

The recipient must be screened to determine that it has no connection to a government official who is in a position to act or take a decision in favour of ESTEC.

In case of doubt, a local lawyer of good standing approved in advance by legal should confirm that the donation is lawful under the written laws and regulations of the country where the donation will be made.

The donation must be approved in writing and in advance by the General Manager or Managing Director.

The recipient must issue a written receipt of the donation specifying the amount and warranting that the donation will not benefit, directly or indirectly, any government official.

The donation must be accurately recorded in the company's books and Records.

F. Facilitating Payments: What Are These and Are They Allowed?

In some countries, it may be the local practice for businesses to make payments of small amounts to low-level government officials in order to expedite or "facilitate" routine government actions over which such officials have no discretion. Examples of routine, non-discretionary actions include providing police protection, granting visas or utility services, or clearing customs. Such payments are called "facilitating payments".

Facilitating payments, whether legal or not in a country, are prohibited under this policy.

In extremely limited circumstances, however, **IF** allowed under local law, ESTEC may permit facilitating payments. You must consult the H.O **BEFORE** making or authorizing such a payment. Specific approval for each payment is required. If any such payments are approved, they must be accurately documented in the company's books and records.

G. Third Parties:

Bribery problems often involve third parties. Any individual or entity acting on behalf of or under the control of ESTEC., such as agents, distributors, consultants or joint venture partners ("Third Parties") must also comply with this policy. Because anti-bribery laws prohibit "indirect" as well as direct payments and offers, ESTEC and you may be held liable for the conduct of Third Parties when we know or reasonably should have known of the unlawful conduct. Turning a "blind eye" or ignoring "red flags" that something may be wrong does not exonerate ESTEC or you from criminal liability.

Authorizing a Third Party to do something that you cannot do directly is a violation of this policy.

1. Due Diligence

Before entering into any contract with a Third Party, you must first conduct a reasonable investigation into its background, reputation, and business capabilities. After receiving recommendation from the relevant ESTEC employee to engage the prospective Third Party and the approval of the General Manager or the Managing Director, the proposal is sent to the Legal Department as part of the contract review before the contract is signed.

No contract with a Third Party should be concluded without approval from the Legal Department .

2. Compensation and Payments to Third Parties

Compensation to Third Parties must be commercially reasonable and commensurate with the tasks that they actually undertake. Contracts should generally provide fixed compensation for specific, identified tasks and should avoid large percentage-based commissions and success fees.

H. Record-Keeping

ESTEC is required to accurately record information regarding all payments the company makes or receives in reasonable detail, including the amount of the payment, the recipient, and the purpose for the expenditure. You must ensure that ESTEC has accurate and timely information with respect to the amount and ultimate recipient of contract payments, commissions, and other payments. You must also document the purpose, and maintain all necessary approvals for the transaction. Records must be complete and

truthful and financial accounting recorded in accordance with Generally Accepted Accounting Principles (GAAP).

Any ESTEC employee who creates a false or misleading entry, or fails to disclose payments or assets will be subject to immediate disciplinary action. If you learn of any false or misleading entries, or unrecorded payments, you should report it immediately to the H.O.

2. Restrictions on reimbursements and use of cash.

ESTEC will only pay reimbursements for goods, services, or other expenditures that are fully and properly supported by third party invoices or receipts. With the exception of normal and customary petty cash requirements, cash transactions in connection with ESTEC business are to be avoided.

I. Reporting

If you are aware that any employee is involved in acts which violate this policy including bribery, you must report such conduct without delay to the General Manager or the Managing Director.

