

EMPC-PRCD-013

Global Anti-Corruption

TABLE OF CONTENTS

1	SCOPE.....	1
2	GENERAL PROHIBITIONS.....	1
3	SPECIFIC PROHIBITIONS & LIMITATIONS	2
3.1	Meals.....	2
3.2	Gifts, Entertainment & Travel Expenditures	2
3.3	Charitable Contributions or Donations	3
3.4	Political Contributions.....	3
3.5	Facilitation Payments.....	3
3.6	Cash & Cash Equivalents.....	3
3.7	Payments Prohibited by Local Law.....	3
4	THIRD PARTY RISK MANAGEMENT.....	3
4.1	Conflict of Interest	3
4.2	Consultants & Representatives	4
4.3	Suppliers & Subcontractors.....	4
4.4	Foreign Visitors.....	4
4.5	Mergers & Acquisitions	4
4.6	Investors & Joint Venture Partners.....	4
5	PROCEDURE MANAGEMENT	5
5.1	Administration.....	5
	5.1.1 Conflicts of Law.....	5
5.2	Reporting.....	5
5.3	Procedure Distribution	5
5.4	Procedure Training	5
5.5	Record Keeping.....	6
5.6	Auditing & Investigations.....	6
	APPENDIX A: RELEVANT LAWS	7
	Foreign Corrupt Practices Act (FCPA).....	7
	U.K. Bribery Act (UKBA).....	7
	APPENDIX B: DUE DILIGENCE MATRIX	8
	APPENDIX C: GLOSSARY.....	9
	APPENDIX D: RED FLAG INDICATORS	11

SNC'S COMMITMENT TO COMPLIANCE

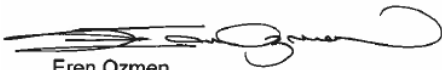


SNC Team,

SNC's expanding international presence is a testament to our long-standing reputation at home for innovation and agility. As our global portfolio grows, however, it is paramount we continue to conduct our business in accordance with SNC's commitment to 'Gold Standard Ethics.' Adhering to this expectation is most critical to our international business, where customs and rule of law can vary broadly across borders. Regardless of where our officers, employees, consultants, agents, or representatives are operating, we demand adherence to our Ethics Policy, Global Anti-Corruption procedure, and applicable laws, such as the Foreign Corrupt Practices Act (FCPA) and U.K. Anti-Bribery Act (UKBA).

Our core value of 'Integrity' is synonymous with ethical behavior and business practice, of which global anti-corruption laws are a cornerstone. The ongoing commitment to our Ethics principles and anti-corruption laws ensures we protect US international security interests and SNC's reputation, while promoting an international business environment free of nefarious influence. By incorporating compliance into every stage of our international pursuits, SNC will remain a top global provider of innovative technology and set the standard for integrity in all that we do.

Fatih and I are dedicated to providing SNC employees and partners the support and resources needed to ensure we extend SNC values into every operational environment. Please leverage our subject matter experts within our Legal and International Trade Compliance teams for any questions related to our anti-corruption program or principles.



Eren Ozmen
President
Sierra Nevada Corporation

1 SCOPE

This Global Anti-Corruption Procedure ("Procedure") is designed to ensure that SNC officers, employees, subsidiaries, consultants, agents and representatives (collectively referred to as "SNC Representatives") understand and comply with U.S. and foreign anti-corruption laws. Generally, anti-corruption laws prohibit accepting or offering anything of value to improperly obtain or retain a business advantage. Penalties for violating anti-corruption laws can be severe and their jurisdictional reach is often broad. SNC may be held liable for the actions of SNC Representatives. Additionally, SNC Representatives and leadership can themselves be held criminally or civilly liable.

Sierra Nevada Corporation ("SNC") is committed to the highest standards of business conduct. Employee commitment to ethical business practices is integrated within SNC's recognition and reward criteria. Activity that violates anti-corruption laws is antithetical to SNC's principles. SNC suppliers and third parties must similarly uphold a commitment to anti-corruption or risk termination of any current or future business dealings with SNC. Complying with anti-corruption can be complex, especially when engaged across jurisdictions. This procedure provides guidance for SNC Representatives with regard to anti-corruption compliance and is limited to SNC Representative's actions on behalf of or directly/indirectly in support of SNC and/or partner's operations (i.e. a person or entity in a formal business relationship with SNC).

2 GENERAL PROHIBITIONS

In accordance with [EMPC-PRCD-001 Code of Ethics and Business Conduct](#), SNC prohibits the offer, payment, promise to pay, authorization of payment, or acceptance of [anything of value](#) when given for the purpose of gaining an improper advantage in obtaining or retaining business, also known as a [bribe](#). SNC Representatives shall not engage in such transactions when the purpose may be perceived to be improper. Such prohibitions apply in equal measure to transactions involving government and party [officials](#), as well as private businesses.

In addition to direct engagement of prohibited transactions, SNC Representatives have an affirmative obligation to report prohibited transactions ([Section 5.2](#)). Any willful negligence or unethical conduct in violation of this procedure is subject to the disciplinary actions defined in [EMPC-PRCD-001 Code of Ethics and Business Conduct](#), up to and including termination.

3 SPECIFIC PROHIBITIONS & LIMITATIONS

3.1 Meals

SNC strictly prohibits the provision of anything of value to domestic government officials (federal, state, and local). SNC Representatives are prohibited from the offer, payment, promise to pay, authorization of payment, or acceptance of anything of value from domestic government officials. In specific cases involving meetings with government officials that extend through meals, such meals are allowable per the limitations outlined in [PRCD-078 Business Meals](#).

In commercial and international business contexts, meals may be an acceptable part of doing business. Such courtesies are allowable if they meet the following criteria:

1. **Legitimate** – For a genuine business purpose
2. **Proper** – Not intended to improperly influence a business (or likely to be perceived as improper)
3. **Reasonable** – Not lavish or inappropriately ornate
4. **Frequency** – Only as reasonable as legitimate business purposes allow
5. **Reported** – Must be submitted through the proper internal procedures

All meal expenses must align with all general and specific prohibitions found within this Procedure. All business meal requests must be maintained in accordance with accounting standards.

3.2 Gifts, Entertainment & Travel Expenditures

SNC strictly prohibits the provision of anything of value to domestic government officials (federal, state, and local). SNC Representatives are prohibited from the offer, payment, promise to pay, authorization of payment, or acceptance of anything of value from domestic government officials. Per [EMPC-REFN-000 Allowable vs Unallowable](#), there are no circumstances where [gifts, entertainment, or travel expenses](#) are allowable.

In commercial and international business contexts, gifts, entertainment and travel expenditures may be an acceptable part of doing business. Such courtesies are allowable per SNC policy if they meet the following criteria:

1. **Legitimate** – For a genuine business purpose
2. **Proper** – Not intended to improperly influence a business (or likely to be perceived as improper)
3. **Reasonable** – Not lavish or inappropriately ornate
4. **Frequency** – Only as reasonable as legitimate business purposes allow
5. **Reported** – Must be submitted through the proper internal procedures

All such expenses must align with all general and specific prohibitions found within this Procedure. Gifts must be requested and/or reported through SNC's Service Portal if the gift meets criteria defined in [EMPC-PRCD-001 Code of Ethics and Business Conduct](#). SNC's Ethics Committee will review and approve prior. All recipient/provider details and item descriptions, values, justifications, and approvals will be recorded within SNC's Service Portal for a minimum of five years.

SNC's Accounts Payable Department shall maintain best practice standards to ensure that such expenses are authorized, properly recorded, and conform to generally accepted accounting principles. No record of payments, gifts, entertainment, or other such expenses can be kept "off book." Vague accounts such as "slush funds" or payments to intermediaries without adequate justification and clear recordkeeping are strictly prohibited.

In order to qualify for reimbursement, proposed expenses must be explicitly detailed in the request, i.e., broken down by names and positions of government officials, dates and places of travel, and the amount and type of specific expenses. SNC reserves the right to

deny, in whole or in part, any expenses related to the travel of a government or political party official (including officers and employees of government-owned or government-controlled enterprises) for any reason.

Employees who authorize the reimbursement or payment of expenses covered by this section without following the above procedures will be subject to disciplinary action, including termination of employment.

3.3 Charitable Contributions or Donations

[Charitable contributions](#) or donations are expressly unallowable per [EMPC-REFN-000 Allowable vs Unallowable](#). Non-U.S. charitable donations are prohibited as they present a significant risk for corruption as they are often used as a conduit to directly or indirectly benefit foreign officials. SNC Corporate charitable donations will be made in accordance with internal policies, procedures and [EMPC-REFN-002 Corporate Delegations of Authority Matrix](#).

3.4 Political Contributions

SNC prohibits all [political contributions](#) that either officially or unofficially intend to benefit SNC or its partners. SNC Representatives are not permitted to make contributions directly or indirectly benefitting a political party, officer, candidate or politically exposed persons with federally appropriated funds in accordance with [INST-198 Anti Lobbying](#) or otherwise.

3.5 Facilitation Payments

SNC Representatives are prohibited from making [facilitation payments](#). These are payments to induce or expedite the performance of a ministerial act by a government official (e.g., customs clearance or visa paperwork, permits, etc.). Payments made when life endangerment is present (i.e. threat or theft) do not meet this definition. Any payment made by SNC Representatives to mitigate credible threat/risk of endangerment must be immediately reported to SNC Legal.

3.6 Cash & Cash Equivalents

It is against SNC policy at all times to make [cash or cash equivalent payments](#) (e.g., gift cards, certificate of deposit, payments to any third party) unless in accordance with [G&A-PRCD-105 Cash Handling & Transmittals](#).

3.7 Payments Prohibited by Local Law

SNC Representatives are prohibited from making payments contrary to local law. In accordance with [PRCS-013 Capture Management and Planning \(CMAP/T\)](#), SNC Representatives must be familiar with the anti-corruption laws before conducting business development in foreign countries. ITCO and Legal will provide resources outlining in-country anti-corruption laws and risks for specific pursuits and dealings as part of the International Business Review Team (IBRT) country report.

4 THIRD PARTY RISK MANAGEMENT

SNC often works with [third parties](#) in conducting its global business. Under the FCPA and other anti-corruption laws, SNC may be liable if it knew, or should have known, of improper activity by its agent, joint venture partner, supplier, contractor, intermediary, distributor, reseller, or other third party and failed to take appropriate steps to attempt to prevent such misconduct. SNC must exercise special care in working with third parties through enhanced [due diligence](#), and never attempt or allow a third party to attempt to engage in conduct inconsistent with this procedure. This diligence is conducted in accordance with the matrix in Appendix B. This matrix is a guide, not a prescription for each entity type. Legal and ITCO may escalate or de-escalate due diligence level based on the perceived risk presented by the entity and the complexity of the entity's relationship with SNC.

4.1 Conflict of Interest

In accordance with [EMPC-PRCD-001 Code of Ethics and Business Conduct](#), all SNC Representatives must identify and declare via [EMPC-FORM-001 Conflict of Interest Disclosure Form](#) all [conflicts of interest](#), actual, potential and perceived. All employee declarations of

actual and potential conflicts of interest are maintained by Legal, who maintains oversight and management of identified conflicts of interest.

Legal approval for the initiation of any employment discussions with former or current [public officials](#), a review of actual, potential or perceived conflict of interest, and restrictions on their activities if such conflicts of interest are identified, is required in accordance with [EMPC-FORM-001 Conflict of Interest Disclosure Form](#). SNC requires a cooling-off period of 12 months minimum before any U.S. public officials are permitted to have any form of contact or relationship with their former organization on SNC's behalf, which is vetted and verified by HR. SNC may request a Letter of Recusal from prior public officials to confirm if additional restrictions regarding their post-service conduct exist. Additional requirements may exist for public officials from other countries, which will be evaluated and advised by SNC Legal in accordance with [EMPC-PRCD-001 Code of Ethics and Business Conduct](#).

4.2 Consultants & Representatives

SNC consultants and representatives are reviewed and approved in accordance with [BD-PRCD-008 Indirect Domestic and International Business Development Consultant Request and Approval](#). ITCO conducts anti-corruption due diligence per [Appendix B](#) prior to the formalization of a business relationship. All commission-based agreements will be subject to the review, approval, and subsequent reporting requirements defined in [G&A-PRCD-128 International Representative \(Commission Based\) Agreement Request and Approval](#).

SNC will not engage in non-US [lobbying](#) activities unless approved by the VP of Legislative Affairs. US lobbying will be done in accordance with internal policies, procedures and [EMPC-REFN-002 Corporate Delegations of Authority Matrix](#).

4.3 Suppliers & Subcontractors

SNC suppliers are vetted for corruption risk in accordance with [INST-199 Direct Procurement Foreign Entity Supplier Screening](#). In accordance with [REFN-092 Ethics in Procurement](#), SNC's supplier relationships will be subject to ongoing review and potential termination as a result of any corruption identified during the relationship with SNC and/or SNC's continuous monitoring.

In accordance with terms and conditions detailed through [PRCD-172 Mandatory and Required Flow Down Clauses](#), all SNC suppliers will certify they have policies that prohibit foreign and domestic bribery, prohibit facilitation payments, as well as policies and procedures to address conflicts of interest, gifts and hospitality, and whistleblowing.

4.4 Foreign Visitors

Foreign visitors to SNC facilities must be screened per [G&A-INST-048 Facility Visits by Foreign Persons](#). Foreign visitor hosts and escorts are responsible for ensuring that foreign visitors do not receive or give gifts or other items contrary to this Procedure. All records of Foreign Visits to SNC facilities are maintained for a minimum of five years within SNC's Service Portal.

4.5 Mergers & Acquisitions

Per [G&A-REFN-026 Acquisition Due Diligence & Integration-Team Roles & Responsibilities](#), ITCO is responsible for completing sufficient due diligence in the merger and acquisition process to identify and mitigate post-merger-and-acquisition corruption risk to SNC. All records associated with this due diligence will be maintained for a minimum of five years by Corporate Development in the designated team room.

After the completion of a successful merger or acquisition, target companies (if not fully integrated into SNC) are required to integrate the corruption risk mitigating elements found in this Procedure within an Intra-Company International Control Plan (IICP) as defined in [G&A-PRCD-120 International Trade Compliance](#).

4.6 Investors & Joint Venture Partners

SNC investors and joint venture partners are reviewed and approved in accordance with [G&A-PRCD-132 Corporate Development Process](#). ITCO conducts anti-corruption due diligence in accordance with [Appendix B](#) prior to the formalization of a business relationship. All due diligence will be maintained as directed by SNC Legal.

5 PROCEDURE MANAGEMENT

5.1 Administration

The International Trade Compliance Office (ITCO) administers this Procedure, ensures compliance through coordinating and supporting audits, and has the authority to make changes in response to assessment findings.

Legal will provide counsel to SNC regarding anti-corruption compliance. SNC General Counsel has ultimate authority in the administration and adherence of anti-corruption compliance across SNC.

5.1.1 Conflicts of Law

The expansion of anti-bribery and anti-corruption laws in countries where SNC does business makes it possible that SNC Representatives will encounter situations where local law appears to be inconsistent with the U.S. or other applicable national laws. The SNC Representative must contact Legal and ITCO if any potential conflict of law occurs in accordance with Section 5.2, to ensure that SNC takes the necessary steps to remain in full compliance with all applicable laws.

5.2 Reporting

All SNC Representatives are required to report activity contrary to this Procedure. [EMPC-PRCD-001 Code of Ethics and Business Conduct](#) contains the means by which SNC Representatives can report conduct contrary to SNC's Ethics. Reporting is available and accessible to all SNC Representatives in all jurisdictions where SNC operates, including SNC's third parties:

- Contact Procedure Administrators (ITCOCompliance@sncorp.com & Legal@sncorp.com)
- Contact SNC Ethics (SNCethics@sncorp.com)
- Anonymous Reporting via Ethics Portal (sncorp.ethicspoint.com)
- SNC Ethics Hotline (855-349-9818)

In accordance with [EMPC-PRCD-001 Code of Ethics and Business Conduct](#), [Retaliation](#) is strictly prohibited against anyone who in good faith, reports conduct that is believed to be illegal or otherwise violates this Procedure, assists or participates in any manner in any investigation, proceeding or hearing conduct by a governmental enforcement agency. Any employee who refuses to act unethically, in keeping with the SNC's ethical and anti-bribery and corruption values and procedure, will be protected, supported, and potentially rewarded, even where such actions result in a loss of business or another disadvantage to the company. SNC assures itself of its employees' confidence in this commitment through its anonymized 'Employee Engagement Survey'.

5.3 Procedure Distribution

All SNC Representatives will have access to this policy through assigned training and/or the formalization of a business relationship with SNC. This Procedure is available to SNC Suppliers through [SNC's Supplier Portal](#). SNC Representatives that regularly engage in activity associated with high corruption risk must annually receive and acknowledge this Procedure per [PRCS-013 Capture Management and Planning \(CMAP/T\)](#).

5.4 Procedure Training

All SNC employees and subsidiaries are annually required to complete the Gold Standard of Ethics training. SNC Representatives in high risk positions are annually required to complete Global Anti-Corruption training per [G&A-INST-051 International Trade Compliance Training](#). All SNC Consultants & Representatives will automatically receive training as part of the due diligence process

detailed in [Appendix B](#). ITCO is responsible for monitoring the effectiveness of anti-corruption training to include, but not limited to, surveys, the number of compliance-related inquiries received, audits, and face-to face conversations.

5.5 Record Keeping

Records associated with SNC's Global Anti-Corruption procedure must be maintained for a minimum of five years. In accordance with Internal Revenue Services (IRS) requirements, expense, payment, and similar financial information must be maintained for a minimum of seven years. Each section of this procedure details the respective platform of record and what should be maintained by responsible parties. Regardless of the type of transaction, activity, or responsible party, all books and records must be complete and accurate. SNC Representatives must never create or consent to the creation of false or misleading documents, including documents containing any misrepresentation or omission of payments.

5.6 Auditing & Investigations

ITCO is responsible for conducting investigations and disclosures pertaining to anti-corruption pursuant to [G&A-INST-086 International Trade Compliance Internal Assessments and Disclosures](#). Annual audits are performed by Government Compliance & Audit in accordance with [G&A-PRCD-062 Internal Audit Procedure](#).

ITCO publishes high-level data from bribery and corruption-related incidents to SNC senior leadership and those directly impacted by notable findings and corrective actions within internal audit reports. This includes the number of reports received, investigations launched, and the number of disciplinary actions as a result of investigations. ITCO periodically publishes red flag identifiers and communications on anti-corruption best practices and procedural reminders to the entire enterprise to promote consistent awareness.

APPENDIX A: RELEVANT LAWS

Foreign Corrupt Practices Act (FCPA)

Prohibited Conduct

The FCPA prohibits conduct that meet the following: **(1) corrupt (2)** payments or transfers of anything of value (including the offer, promise, or authorization of a payment or anything of value **(3)** to a foreign official, political party, political party official or any person while knowing that all or a portion of such payment or thing of value will go to the aforementioned parties **(4)** for the purpose of influencing any act or decision of the aforementioned parties.

Jurisdiction

The FCPA applies to United States “issuers” and “domestic concerns.” Issuers are companies registered with or otherwise required to file periodic reports with the SEC. Domestic concerns are (1) individuals who are citizens, nationals, or residents of the United States, or (2) entities organized under the laws of the U.S. or with a principal place of business in the U.S.

Actions by officers, directors, employees, or agents on behalf of issuers or domestic concerns can result in personal or corporate civil or criminal liability. Foreign entities that commit an act in furtherance of prohibited conduct in the United States are subject to FCPA’s jurisdiction.

U.K. Bribery Act (UKBA)

Prohibited Conduct

The UKBA prohibits all of the following conduct:

1. Offer, promise, or transfer of a bribe (including foreign officials)
2. Request, agreement, or acceptance of a bribe with the intention of rewarding with improper performance of a relevant function, and
3. Failure of a corporation to prevent bribes by associated persons.

An associated person is any person that performs services on behalf of an organization, such as employees, subsidiaries, and agents. The UKBA prohibits both receiving and/or giving a bribe to private individuals and/or public officials.

Jurisdiction

The UKBA segments jurisdiction based on the offense. Offenders of the prohibition of giving or receiving a bribe are liable under the UKBA if (1) any part of the act or omission takes place in the UK, or (2) there is a “close connection” to the UK (e.g., residency, incorporation, or citizenship). Jurisdictional reach for the offense of failure of a corporation to prevent a bribe extends to entities that “carry on a business or part of a business in the UK.”

APPENDIX B: DUE DILIGENCE MATRIX

[REDACTED]

APPENDIX C: GLOSSARY

Anything of Value - Includes, but is not limited to: cash, cash equivalents (such as gift cards, kickbacks or discounts), benefits or favors, entertainment, gifts, hospitality, meals, travel, charitable contributions, political contributions or employment opportunities. There is no minimum value for something to be considered "of value." Examples include:

- Providing luxurious or overly frequent gifts and hospitality to someone;
- Promising to pay for personal medical, educational or living expenses;
- Making sponsorships or donations to the "pet charity" of a public official;
- Extending employment or an unpaid internship to the relative of a key decision-maker;
- Offering an investment at below market value of a company controlled by a public official who would benefit personally.
- Lavish meals.

Beneficial Ownership - Any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (1) Voting power which includes the power to vote, or to direct the voting of, such security; and/or, (2) Investment power which includes the power to dispose, or to direct the disposition of, such security.

Bribe/Bribery - Giving, offering, promising, requesting, or authorizing the giving of anything of value, directly or indirectly, to any person or entity to induce a person to act, or refrain from acting, in relation to the performance of their duties, in order to obtain or retain any advantage or benefit.

Cash or Cash Equivalent - Money in the form of currency, which includes all bills, coins, and currency notes. Cash equivalents include but is not limited to: gift cards, marketable securities, commercial paper, Treasury bills, and short-term government bonds.

Charitable Contributions - The donation of goods and services, concessions, and other assistance. Donations that benefit an individual or public official with regulatory oversight or who can influence a company's business are prohibited.

Conflict of Interest – A relationship or activity that might impair, or reasonably appear to impair, an employee's ability to render objective and appropriate business decisions in the performance of their job.

Corrupt - An intent or desire wrongfully to influence the recipient through an offer, payment, promise, or gift, to induce the recipient to misuse their official position. It does not require that the act be fully consummated or succeed in producing the desired outcome.

Due Diligence - The detailed examination of an entity, and its financial records, M&A activity, supply chain continuity, compliance with sanctions, anti-money laundering or anti-bribery and corruption laws done before becoming involved in a business arrangement with it to mitigate political, economic, socio-cultural, technological, legal and environmental risks to SNC.

Facilitation Payment - Payments made to public officials to encourage them to expedite a routine or common governmental task that the official is otherwise required to undertake even if the payment were not made, such as issuing permits or licenses.

Gifts - Anything of value, including but not limited to personal entertainment & transportation, which is not related to an allowable and legitimate business purpose. Gift Requests (SNC employee providing) should be submitted by the employee 15 days in advance when the gift value is in excess of \$100.00. Gift Reports (SNC employee receiving) should be submitted as soon as possible for any gift received by an SNC employee when the gift value is in excess of \$25.00.

High Risk Concern - Entities that warrant additional due diligence due to corrupt country involvement, Legal/ITCO concern, reference concerns, unusual corporate structure, hidden identity, or identified red flags as outlined in Appendix D.

Hospitality - Any lodging, meals, refreshments, or any form of entertainment not related to or offered in connection with business travel (including sporting events, parties, plays and receptions).

Lobbying (US & Non-US) - Any attempt to influence legislation through communication with: (i) Any member or employee of a legislative body, (ii) any government official or employee (other than a member or employee of a legislative body) who may participate in the formulation of the legislation, but only if the principal purpose of the communication is to influence legislation. A communication with a legislator or government official will be treated as a lobbying communication if the communication refers to specific legislation and reflects a view on such legislation.

Political Contribution - Any loan, gift, donation or other payment made, or offered or agreed to be made, directly or indirectly, whether in cash or in kind, which is (a) to or for the benefit of, or at the direction of, any foreign candidate, committee, political party, political faction, or government or governmental subdivision, or any individual elected, appointed or otherwise designated as an employee or officer thereof. Taxes, customs duties, license fees, and other charges required to be paid by applicable law or regulation are not regarded as political contributions.

Public Official - An employee or anyone else working in an official capacity for or on behalf of any non-U.S. government, government-owned and government-controlled company, public international organization or political party; or any non-U.S. party official or candidate for political office.

Retaliation – Discrimination against any individual because such individual has made a charge, testified, assisted, or participated in any manner in an investigation, proceeding, or hearing opposing any unlawful act or practice detailed in this procedure.

Third Party - Any person or entity who acts on behalf of or represents SNC, including but not limited to sales agents or representatives, distributors, consultants, lobbyists, transportation or logistics providers, customs clearing agents, or any person or entity retained to represent SNC in a matter before a public official, government agency, or in tax or legal matters.

Travel Expense - The cost of transportation, lodging, meals and/or entertainment associated with business travel.

Willfully - Issuer had corrupt intentions and that he/ she knew that his/ her actions were in violation of the law. According to the Second and Fifth Circuit Courts of Appeals, the defendant does not have to be familiar with the FCPA and know what specific violation he or she has committed, but faces applicable civil and criminal penalties if he or she knows of the general unlawfulness of his or her actions.

APPENDIX D: RED FLAG INDICATORS

- Doing business in a high risk county.
- Allegations that the party has made facilitation payments to government officials.
- Refusal to warrant compliance with the FCPA or other recognized anti-bribery or anti-corruption law.
- Reluctance to participate in due diligence.
- Allegations or convictions of illegal or unethical conduct.
- Any suggestion that laws or regulations or company compliance policies need not be followed.
- Any suggestion that unethical conduct is custom or the norm in country.
- Use of shell companies.
- Ownership by or close relationship to a governmental official.
- Refusal to identify a principal of beneficial owner.
- Recommendation of use by a governmental official.
- Refusal to sign a contract.
- Lack of experience in the field.
- Requirement of an unusually high commission to third party agents or consultants.
- Insistence on payment in cash, in third party country, or to an unrelated third party.
- Request for advances.
- Sharing of compensation with undisclosed parties or unreasonably large discounts to third party distributors.
- Refusal to provide adequate invoices or offering to provide false invoices.
- Named as a Designated Party, SDN or any connections to US or UN sanctioned or embargoed parties, including SDN, Denied/Debarred Persons.
- Connections to countries identified as non-cooperative with international efforts against money laundering.
- Refusal to disclose the nature and source of assets.
- Refusal to identify a beneficial owner.
- Acting as the agent for an undisclosed principal.
- Company address is not a physical site but a PO Box.
- Lack of concern regarding risks or transaction costs.
- Structuring transactions to avoid reporting requirements.
- Offering to engage in transaction with no or little business justification.
- A request that funds be transferred to an undisclosed third party or in another jurisdiction (offshore bank account), or any transaction designed to evade taxes.
- Requests that goods be exported to countries on an international boycott list.
- Inaccuracies in any shipping documentation and invoicing.
- Abnormal packing, marking or routing of goods.
- Inconsistencies between goods and services of that usually offered by the company.
- "Consulting Agreements" that include only vaguely described services.
- Declination of routine installation or training services.
- Shipping route is out of the ordinary, promised delivery dates and locations are vague or in out of the way location.
- A freight forwarding firm is listed as the final destination.