

# **Anti-Corruption Policy**

## **Policy Number: HDTP 000031**

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*Policy Owner(s): Compliance Department*

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### 1.0 Purpose

This policy establishes HDT Global's (HDT) standards regarding the prevention of corruption and the commitment to doing business with integrity. This means avoiding corruption of all kinds. It is the policy of the Company to comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (FCPA), the U.K. Bribery Act (UKBA), and the local laws in every country in which we do business. These laws prohibit bribery of foreign government officials (broadly defined later in this policy), and with regard to the FCPA in particular, mandate that companies establish and maintain accurate books and records and sufficient internal controls. The UKBA also prohibits private sector (commercial) bribery.

### 2.0 Scope

This policy applies to all employees of the Company, including officers and directors. In addition, the Company will require third parties who represent the Company (such as agents, representatives, consultants, and contractors) to conduct themselves in a manner consistent with this policy.

As with all HDT policies, the Company and its management expects all employees to rigorously adhere to each and every provision set forth herein. Failure of an HDT employee to comply with any provision of this policy may result in disciplinary action including termination of employment.

### 3.0 References

Reference Number	Description
	Standards of Business Conduct
HDTP000006	Records Management and Retention Policy

## 4.0 Definitions

**“Anything of Value”** is any form of benefit, which includes, but is not limited to:

- Cash or cash equivalents, loans, gifts or prizes
- Employment offers or promises of future employment (to an individual or any of his/her relatives)
- Favorable terms on a product or service or product discounts
- Entertainment / hospitality (payment of travel, hotel, meals, living expenses, or costs of trips or resort stays)
- Use of vehicles or vacation homes
- Discounted or free tickets to events
- Services, personal favors, or home improvements
- Political or charitable donations

**“Bribe / Bribery”** is directly or indirectly giving or receiving (or even offering) anything of value for the purpose of obtaining or retaining business, to win a business advantage, or to influence a decision regarding HDT. This includes bribes related to: obtaining licenses or regulatory approvals, preventing negative government actions, reducing taxes, avoiding duties or custom fees, or blocking a competitor from bidding on business.

**“Government”**

- any national, provincial, regional or local legislative, administrative, or judicial body.
- state funded organizations such as non-commercial organizations established by the special laws, schools, universities, healthcare facilities, police agencies, military entities, issuers of government permits, approvals or licenses, etc.
- any state-owned enterprises (defined below) and/or state instrumentalities (an entity for which there is control by the government and the entity is performing a governmental function) and/or state-controlled entities (defined below).
- public (quasi-governmental) international organizations (such as the United Nations, World Bank, International Monetary Fund, International Olympic Committee, African Union, etc.).

**“Government Official”**

- an officer or employee (regardless of rank) of the government, including officials from state-funded organizations, state-owned enterprises, or state-controlled entities
- a political candidate, party or any officer or employee of a political party
- any private person acting in an official capacity for, or on behalf of, any government or public international organization (such as an official advisor to the government or a consultant responsible for making procurement recommendations to a government)
- members of a foreign royal family

**“State-Owned Enterprises (SOE)”** includes companies, in which 30% or more is directly owned by a federal, regional or municipal body, and where one of the following criteria is met:

- the government has the ability to hire and fire the company’s principals
- the company’s profits, if any, go directly into a government treasury
- such SOE performs a function the government treats as its own, including whether the entity has a monopoly over the function it carries out
- the government subsidizes the costs associated with the entity providing services
- the public and the government of the country generally perceive the entity to be performing a governmental function.

**“State-Controlled Entities”** includes companies in which 30% or more is directly owned by a SOE, and, in which the state also owns 50% or more shares.

## 5.0 Procedures

In alignment with laws around the world, we at HDT do not promise, offer, give or authorize, directly or indirectly, a bribe or anything of value to anyone – including any government official / employee, representative of a government, including state-owned enterprises and/or state-controlled entities, private (non-government) officials, or employees of any business – to attempt to improperly influence any act or decision to obtain or retain business, or to secure any improper advantage for HDT.

Corruption violates the public's trust, threatens economic and social development, and hurts fair trade. To combat corruption, most countries have enacted anti-corruption / anti-bribery laws and regulations.

These laws make it a crime to give, pay or promise “anything of value” (bribes) to:

- influence an act or a decision to obtain, retain and/or direct business, or
- secure an improper advantage of any kind.

It is also a crime to accept “anything of value” (bribes) in these circumstances.

### 5.1 What is a Bribe?

A bribe is not just cash in an envelope passed under a table. International laws and HDT policy define a bribe as “anything of value” such as: gift cards, home repairs, tickets to a theater or sporting event, guest passes to a private club, a no-bid contract, a summer job for a teenage family member, free limo / courtesy car service rides, and more, when given to obtain an improper advantage.

Just offering a bribe is a violation, even if the transfer does not occur.

#### *Third Parties May Not Bribe On Behalf of HDT*

Third parties (also called “intermediaries”) cannot be used to try to hide bribery. Suppliers, agents, consultants, distributors, and business partners cannot offer or receive a bribe related to working for HDT or on HDT's behalf. An HDT employee's awareness of, inducing, facilitating or causing a third party to engage in an act that would violate this policy (if done directly by the HDT employee) is also a violation of this policy.

### 5.2 Gifts and Entertainment

HDT recognizes that, when conducted appropriately, informal interactions and exchange of gifts or other offerings with our business associates may be an important part of building goodwill and developing relationships with customers, partners and suppliers and, in many countries, may be an accepted and appropriate business protocol and custom. However, if conducted inappropriately, gifts, travel, entertainment and other offerings, may violate applicable laws or HDT or third-party policies or principles.

Gifts and entertainment are things of value and may not be given to obtain or retain business or to obtain improper advantage. However, gift giving and entertaining are not always illegal. If a government official or politician is the recipient, employees must consult with the Compliance Department to ensure that no such entertainment or gift is linked to any specific business of the Company, exceeds what is normal and customary in the particular country, or violates the laws of that country. If you have any doubt about the propriety of a gift or entertainment, do not give it.

Please note that all gifts – or other things of value – to a Government employee without the express permission of the Compliance Department is prohibited.

Please refer to HDT's Standards of Business Conduct and the Offering of Business Courtesies supplemental policy for additional gift and entertainment policies.

### 5.3 Facilitation Payments

Facilitation payments are prohibited under this policy. Facilitation payments are small payments paid to foreign government officials to expedite or facilitate non-discretionary actions or services, such as obtaining an ordinary license or business permit, processing government papers such as visas, providing police protection, providing telephone, power or water service or loading or unloading of cargo.

If personal safety, security or freedom of movement is at risk, a facilitation payment may be made and then reported to the Compliance Department after the fact.

Any facilitation payments must be accurately described and documented in the appropriate accounting books and records as “facilitation payments.”

#### **5.4 Charitable and Political Contributions**

Our Company and our employees shall not contribute any Company funds or other assets directly or indirectly to any political party or to the campaign for or against any candidate for political office, if prohibited by federal, state or foreign law. The Compliance Department is available to assist you in determining if any such contribution is permitted. We encourage our employees to participate individually in political affairs with his or her own time and resources.

#### **5.5 Services**

The Company may pay for legitimate services provided to the Company by a foreign government entity or government official, such as paying a government-owned utility company for electricity. Payments for any services rendered to the Company by a foreign official (including an officer of a foreign government-owned or controlled commercial enterprise), including honorarium payments and reimbursement of expenses, must be made in accordance with the financial and accounting directives set forth in this policy.

#### **5.6 Personal Safety Payments**

Personal safety payments are permissible under this policy. A personal safety payment is a payment to avoid imminent physical harm. Personal safety payments do not include payments made in response to commercial duress, or in response to threats to commercial, financial or other interests. If confronted with a situation in which you believe that there is an imminent threat to your health or safety, you must use your best judgment in determining whether to make a personal safety payment. If you reasonably elect to make a personal safety payment, you will not be subject to discipline under this policy, but those payments must be immediately reported to the Compliance Department. The Company may reimburse you for such payments upon the approval of the Compliance Department.

#### **5.7 Books and Records**

To prevent attempts to hide bribery by incomplete or false documentation, many anti-corruption laws have criteria for books, records and internal financial controls. HDT is required to keep books and records that accurately and completely reflect the Company’s transactions, assets and financial position. The requirement includes forms required for processing payments, attachments and backup used to justify payment requests, and authorizations and classifications of payments by accounting codes.

In addition, undisclosed or unrecorded Company funds, or “off-book funds”, are any funds inappropriately established or retained in a non-HDT account (including a partner, agent, supplier or consultant) where the use of the funds continues to be directed by HDT employees without proper transparency, authorization, documented terms and conditions, and appropriate accounting treatment on HDT’s books and records in accordance with the Company’s policies. Off-book funds can be created in any number of ways with customers, partners, and marketing or other vendors, including, but not limited to: non-standard discounting, unrecovered rebates or credits, misuse of sales / marketing incentive funds, excess vendor payments (including prepayments), or any other efforts to control the Company’s funds outside of the Company’s established financial record keeping processes. The establishment, retention or use of off-book funds (and any attempt to circumvent or manipulate processes, systems or data associated with off-book funds), whether intentional or inadvertent, and even if ultimately used for an appropriate business expense or purpose, would be a serious violation of HDT’s Standards of Business Conduct, and this Anti-Corruption Policy, and can result in severe disciplinary action(s).

#### **5.8 Training**

Online Anti-Corruption training is required for HDT employees working in certain functions such as, but not limited to, Sales, Marketing, Business Development, Legal, Contracts, Compliance and Finance. However, HDT encourages all employees to take this training.

#### **5.9 Penalties**

Violations of anti-corruption laws can cause criminal, civil and regulatory penalties including fines and/or imprisonment, and even the perception of impropriety can damage the reputation of HDT and its employees. If an employee violates anti-corruption laws or this policy, it may result in disciplinary action, including termination of employment.

## 5.10 Questions, Concerns or Reporting Potential Violations

Employees who see something suspicious are required to say something, even if it is their manager or other superior who may be violating the policy. When employees are contacted by the Compliance Department, they have an obligation to cooperate with investigations into unethical conduct. Failure to cooperate and provide honest, truthful information may result in disciplinary action, including termination of employment.

HDT will not tolerate retaliation against anyone who, in good faith, reports a concern or cooperates with a compliance investigation. Managers or other employees who retaliate against any other employee will be subject to disciplinary action, up to and including termination. Any suspected retaliation should be reported immediately.

We have the toll-free Ethics Hotline at 1-888-706-1505 (US) and 0808-234-2973 (UK), which are available for anonymous reporting, in case any issues arise that you do not feel comfortable reporting directly. You may also access the Ethics Hotline at [www.HDTGlobal.ethicspoint.com](http://www.HDTGlobal.ethicspoint.com).

## 5.11 Third Parties

Anti-corruption laws, including the FCPA and UKBA, prohibit direct and indirect payments to foreign officials. Thus, the Company can face liability based on improper payments or promises to make improper payments made by its agents, contractors, consultants, representatives, or other business partners (generally referred to herein as “Agents”). It is the Company’s Policy to conduct business only by legal and ethical means, and this practice must be extended to the activities of all of the Company’s Agents.

Before entering into an agreement with an Agent who may act on behalf of the Company with regard to foreign governments, government-owned entities and other instrumentalities, all Agents must review the Company’s Anti-Corruption Policy and sign and deliver a Certificate of Compliance to the Compliance Department to formally document that the Agent has received a copy of the Anti-Corruption Policy, and understands and will comply in all respects with our Anti-Corruption Policy. In addition, Agents may be required to confirm compliance with the Anti-Corruption Policy on a yearly basis by delivering a Certificate of Compliance to the Compliance Department.

Prior to the Company retaining an Agent, the Compliance Department shall conduct an appropriate due diligence review to research and document in writing the reputation, background and past performance of the prospective Agent. Such background investigations may include Visual Compliance screenings, interviews with principals of the other party, and consultation with the U.S. Embassy and other government officials regarding the background of the other party and its principals. The Company shall also conduct periodic update and due diligence reviews on the Agent during the course of their representation. The Company shall also conduct an appropriate due diligence investigation to document the reputation, background and past performance of any person or company (including his/her agents and consultants) with whom the Company contemplates entering into a business combination (merger, acquisition, joint venture, etc.) prior to the closing of any such business combination.

The Company shall only retain an Agent using a written agreement that contains appropriate anti-corruption related provisions, including, but not limited to, the following provisions as appropriate in the context of each particular transaction:

1. The Agent’s acknowledgment that it, he or she understands the provisions of anti-corruption laws and agrees to comply with its terms and with any other applicable laws.
2. The Agent’s acknowledgment that the contents of the agreement may be disclosed by the Company to third parties including government agencies.
3. The Agent’s representation and warranty that neither it, nor any of its owners, directors, officers, principals, or key employees are foreign officials and that it will promptly inform the Company of any changes in that regard.
4. Automatic termination without compensation in the event the Agent has made, attempted to make, makes, attempts to make or proposes to make an improper payment in violation of this Policy.
5. Annual certifications by the Agent of its compliance with the applicable law and this Policy.
6. The Company shall have the right to audit the Agent’s compliance with the agreement and this Policy.

## 5.12 Red Flags

In evaluating potential third parties and during any relationship with them, Company employees must be conscious of any “red flags” that may be present or arise. A “red flag” is a fact or circumstance that serves as a warning signal that a third party may act corruptly. It is the responsibility of the employee who observes a red flag to refer the matter to the Compliance Department or the Ethics Hotline. A non-exclusive list of potential red flags are below:

- Rumors regarding unethical or suspicious conduct by an employee, marketing representative, consultant, agent, or other business partner, or by a government official
- Unnecessary third parties, multiple intermediaries or suggestions to use a particular intermediary
- Requests for payments to a second third party rather than the consultant or agent
- Requests for payments in a country other than where the third party resides or performed the services
- Requests for payments in cash
- Requests for unusually large commissions or other payments, or payments that appear excessive for the service rendered
- Requests for reimbursement of expenses that are poorly documented
- Incomplete or inaccurate information in required disclosures
- Refusal to certify compliance
- The country or industry has a history of corruption or bribery
- Relationship problems with other foreign companies
- The Agent is related to a government official (and does not recuse himself or herself from working, directly or indirectly, with that official)

## 6.0 Records

Records shall be maintained as follows:

Record	Custodian	Media	Minimum Retention Period

## 7.0 Revision History

Date	Version	Description	Responsible Person
05/18/2018	1.0	Original	Compliance Department
04/01/2021	1.1	Minor revisions	Mike Thomas

## 8.0 Approvals

	Version	Date	Name	Title	PDM Signature
Written by	1.0	05/18/2018	Jason Malik	Director of Trade Compliance and Facility / Operations Security	
Approved by	1.1	05/18/2018	Rita Thomas	Senior Vice President and General Counsel	
Written by	1.1	May 2021	Mike Thomas	Corporate Counsel	
Approved by	1.1	May 2021	Rita Thomas	Senior Vice President and General Counsel	