



Anti-Bribery and Anti-Corruption Policy

Purpose

This Policy is intended to outline Rich's risks related to bribery and corruption, to highlight your responsibilities under both the relevant anti-corruption laws and Rich's policies, and to provide you with the tools and support necessary to identify and combat those anti-corruption risks. Rich Products Corporation is subject to all applicable Anti-Bribery and Anti-Corruption (ABAC) laws in countries which Rich's operates, including the U.S. Foreign Corrupt Practices Act (the FCPA), the UK Bribery Act, and any other related laws.

Policy

Rich Products Corporation is committed to operating with a high standard of ethical conduct in accordance with laws in countries we operate in, including but not limited to the U.S. Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act. Individuals must not pay or offer a bribe or kickback – directly or through a third party – to obtain, retain, or award business. You will not be punished for refusing to pay or take a bribe or kickback, even if the refusal results in loss of business for Rich's.

Any associate who has knowledge of facts or incidents which they believe may be in violation of this policy has an obligation, promptly after learning of such fact or incident, to review the matter with the Vice President of Compliance or to report such incident to the [Global Ethics Hotline](#).

Associates Should:

- Avoid offering, giving, asking for or receiving any form of bribe or kickback to expedite government action or otherwise violate anti-corruption regulations like the FCPA or UKBA.
- Make sure that all transactions are transparent to reduce the risk of a bribe or kickback.
- Make sure gifts, hospitality and travel are reasonable and are for legitimate business purposes.
- Avoid hiring decisions that benefit government employees or their family members.
- Avoid making political contributions when acting as a Rich's representative.
- Avoid charitable contributions that personally benefit a government official or are made as part of an exchange of favors with the official.

Scope

This policy applies to Rich Products Corporation and its subsidiaries, affiliates, joint ventures, directors, officers, shareholders, associates, representatives and agents worldwide (collectively, "Rich Products Corporation" or "Rich's"). All associates are responsible for anti-bribery and anti-corruption compliance. Any violation of this policy could result in disciplinary action, up to and including termination of employment, and possible referral to the appropriate criminal or regulatory authorities.

Definitions

Anything of Value - things of value, including but not limited to, cash payments and excessive gifts including cars, jewelry, etc., excessive travel and entertainment expenses, educational or executive training expenses, promises of future employment, shares of dividends of a company, etc.

Bribe - when one person offers, pays, seeks or accepts a payment, gift, favor, or a financial or other advantage from another to influence a business outcome improperly, or to induce or reward improper conduct. Bribery and corruption -- whether involving government officials, or commercial entities, including joint ventures -- can be direct or indirect through third parties like agents, brokers and joint venture partners. It includes facilitation payments even though in some countries facilitation payments are legal.

Government - 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.

Government Official - includes:

Any officer or employee of a government entity or subdivision;

Any person acting in an official capacity on behalf of a government entity;

Employees or agents of a business that is owned or controlled by a government;

Any person or firm employed by, or acting for or on behalf of, any government;

Any political party official, employee or agent of a political party, or candidate for political office (or political party position); and

Any family member or other representative of any of the above.

Foreign Government Official - Under the UKBA, a "foreign public official" includes individuals of a country or territory outside of the United Kingdom: - who holds a legislative, administrative or judicial position of any kind; - who exercises a public function for or on behalf of that country or territory; - who exercises a public function for any public agency or public enterprise of that country or territory; or - who is an official or agent of a public international organization.

Under the FCPA, a "foreign public official" includes any officer or employee of a foreign government (i.e., other than the United States), government owned or government-controlled state enterprise, or public international organization. This includes people acting in an official capacity for such governments or organizations, such as consultants and political party officials.

Improper advantage - includes payments intended to wrongfully:

Influence a decision by an official, including a failure to perform his or her official functions; and

Induce an official to use his or her influence to affect or influence any act or decision.

In addition to obtaining or retaining business, "improper advantage" includes reducing taxes or duties, "looking the other way" at minor code or rule violations, and any form of preferential treatment.

Knowing - an associate is considered to have "knowledge" if the associate (i) is aware that a corrupt payment is being made, (ii) is aware that a corrupt payment is likely to occur, or (iii) has reason to know that a corrupt payment is likely to occur. Refusal to know, deliberate ignorance, conscious disregard, and willful blindness are treated as "knowledge" for purposes of this policy.

Third Party - Improper payments may not be made through third parties. Associates must be diligent in appointing and monitoring contractors, agents and joint venture partners. Specific rules apply within Rich's relating to the acceptable terms of contracts with foreign agents (including the length, commissions payable and compliance by the agent with Rich's policies) and the regular monitoring of those agents.

Description of Applicable Laws

The **Foreign Corrupt Practices Act (FCPA)** is a U.S. criminal statute that prohibits improper payments to, or other improper transactions with, non-U.S. officials to influence the performance of their official duties. In general, the anti-bribery provisions of the FCPA prohibit giving, paying, promising, offering, or authorizing the payment of anything of value, directly or indirectly through a third party, to any “foreign official” – a term that is very broadly defined – to obtain or keep business or to secure some other improper advantage.

In addition to prohibiting bribery, the FCPA requires U.S. companies and their majority-owned affiliates to maintain adequate internal controls and to keep accurate and complete records of the transactions they undertake. The FCPA also requires those companies to make good-faith efforts to cause the ventures in which they own minority interests to keep such records and maintain proper internal controls.

The FCPA applies to U.S. persons or business entities anywhere in the world, to “issuers” of securities regulated by the U.S. Securities and Exchange Commission, and to any person, whether a U.S. person or not, who takes an action in the U.S. in furtherance of a prohibited payment. U.S. nationals and residents remain subject to the FCPA regardless of where they are located.

The **U.K. Bribery Act (UKBA)** is considered one of the most stringent anti-corruption and anti-bribery laws globally. It applies to U.K. citizens, nationals, subjects and residents; citizens of British Overseas Territories; U.K. entities and Scottish partnerships; non-U.K. persons or entities who commit bribery in the U.K.; and non-U.K. companies who carry on business in the U.K.

The Act defines four primary offenses:

1. Bribing another person by giving, offering or promising a financial or other advantage linked to improper performance by the recipient of a public or business function;
2. Requesting, agreeing to receive or accepting such advantage in exchange for improper performance of a public or business function;
3. Bribing a foreign public official (with intent to influence the official for the purpose of obtaining or retaining business);
4. Failure of a commercial organization to prevent bribery by its employees or other “associated person” deemed acting on its behalf.

Selecting and Dealing with Third Parties

Rich's must exercise caution in dealing with sales agents, distributors or partners (collectively "agents").

The following practices should be followed:

- Perform a thorough business check on the agent, and make sure the agent has adequate experience in the area and possesses an appropriate degree of integrity.
- Payments to and from agents must be made through a check or bank transfer. No cash transfers are allowed.
- The agent may not employ a subagent without the prior written approval of Rich Products Corporation.
- The agreement between Rich's and the agent should contain a clause stating that the agent understands and complies with the terms and conditions of the FCPA or UKBA as applicable.
- The agreement between Rich's and the agent should contain a clause stating that the agreement can be terminated at any time by either party, without further liability or obligation under either U.S. or local laws.

Red Flags

Any red flags identified during the due diligence review must be addressed to the satisfaction of Rich's Vice President of Compliance prior to entering the relationship with the third party, and any remediation measure put in place should be documented.

After a third party has been retained by Rich's, the third party's activities and expenses must be monitored by the relevant Rich's associate to ensure continued compliance with anti-corruption laws and Rich's policies.

- Some examples of "Red Flags" include requests for unusual payments or financial arrangements, such as:
- Payments to a numbered bank account (i.e., an account not linked to an individual or entity);
 - Payments to accounts in countries other than where agent is located or business is to be performed;
 - Success fees;
 - Cash payments;
 - Inflated invoices;
 - Unusually high commissions;
 - A poor reputation of the third party representative or business partner;
 - A close relationship between the third party representative or business partner and a government official;
 - Lack of transparency in accounting records; or
 - A recommendation from a government official to engage the third party representative or enter into a business partner relationship.

Inform the Vice President of Compliance if a third party exhibits any of the following behavior:

- Rumors or reputation for bribery
- Minimal details on invoices or expense claims related to public or government officials.
- A close relationship with a public official or ministry, or insistence on using a specific consultant, particularly one who provides little to no obvious value.

Third Party Payments

The FCPA contains a narrow exception for facilitating payments made to secure routine governmental actions. Such facilitating payments are not legal under the laws of the majority of countries, and the company prohibits such payments except in extremely rare circumstances.

Prior consultation should be made with the Vice President of Compliance to determine if a proposed payment falls into one of three categories:

1. Authorized by law - payments that are lawful under the written laws and regulations of the relevant country;
2. Reasonable and bona fide expenses - payments that constitute a reasonable and bona fide expense, such as travel and lodging expenses, incurred for or on behalf of a foreign official directly related to the promotion, demonstration, or explanation of products or services or the execution or performance of a contract with a foreign government or agency; and
3. Facilitating (“grease”) payments - small payments made to low level government officials to secure a *routine governmental action*. Generally, the payment of any facilitating payment should be avoided even if this causes inconvenience. Determining whether the payment is in fact a “facilitating payment” depends upon the particular circumstances. To be classified as a “facilitating payment” the payment must be for *routine governmental action* such as obtaining permits, licenses or other official documents; processing governmental papers such as visas and work orders; providing police protection, mail pick-up and delivery; providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products; and scheduling inspections associated with contract performance or transit of goods across country. The payment must also be “customary” in the country where the payment is to be made, paid to a low-level government employee, and not a violation of local law. Payments are made to accelerate performance of a nondiscretionary act that an official is already obligated to perform – not to influence a decision by a foreign official to award new business or continue business with a particular person or entity. A payment made to entice a government official to violate the law is similarly **not** a facilitating payment. **The U.K. Bribery Act contains no exception for facilitating payments, and such payments are prohibited by the U.K. Bribery Act.**

Because these three types of payments are not always clearly defined and frequently require some degree of legal analysis, Rich’s prohibits such payments without the prior written authorization of the Vice President of Compliance. In addition, such payments, when made, must be fully and accurately reflected in Rich’s books and records (i.e. recorded as an expense in a facilitating payment ledger expense account).

Books and Records Provisions

Make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of Rich's.

Rich's books are to be maintained so that all transactions are recorded. Rich's and its subsidiaries are prohibited from maintaining undisclosed or unrecorded funds or assets established for any purpose.

Examples of an undisclosed or unrecorded funds or assets include, but are not limited to:

- numbered foreign bank accounts.
- bank accounts containing corporate funds but held in the names of individuals.
- unrecorded petty cash or "black box" funds.
- real and personal property held by a nominee.
- records that disguise any aspect of a transaction; for example, entering a payment to "X" when the payment was actually made to "Y."
- qualitative misrepresentations are made; for example, entering a payment of \$100,000 to agent "X" when in reality there was an understanding that agent "X" would pay \$20,000 to foreign official "Y."

Internal Accounting Control Provisions

Rich's has devised and maintained a system of internal accounting controls sufficient to provide reasonable assurances that:

- all transactions are executed in accordance with management's general or specific authorization;
- transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, and to maintain accountability for assets;
- access to assets is permitted only in accordance with management's general or specific authorization;
- the recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

Gifts, Entertainment, Travel, and Hospitality Guidelines

Gifts in the business context can be an appropriate way for business people to display respect for each other. Rich's expects the use of good judgment and moderation when giving or receiving entertainment or gifts. It is never permissible to provide gifts, meals, travel, or entertainment to anyone (government officials or commercial partners) in exchange for any improper favor or benefit. In addition, gifts of cash or cash equivalents, such as gift cards, are never permissible. Please reference [Rich's Travel Entertainment and Expense Reporting Policy](#) for more details.

Employee Training & Certification

Rich's associates that conduct business on a global basis, as determined by the Vice President of Compliance must undergo periodic ABAC training covering laws, this policy and any corresponding procedures. Training must be completed in accordance with a schedule as determined by the Vice President of Compliance.

Political Contributions

It is never permissible to provide a political contribution to improperly influence a government official, or in exchange for any improper favor or benefit. Rich's does not make contributions to candidates for foreign political office unless preapproved in writing by the Chief Executive Officer and General Counsel of Rich Products Corporation. Associates and representatives may not make political contributions, in cash or otherwise, through or on behalf of the company, without the prior authorization noted above.

Consequences of Non-Compliance

The **FCPA** has both criminal and civil penalties and is aggressively enforced by the U.S. Department of Justice and the Securities and Exchange Commission.

Criminal penalties for willful violations of the books and records provisions by an individual include fines up to \$5 million per violation or imprisonment up to 20 years, or both. Companies may be fined up to \$25 million per violation.

For a violation of the anti-bribery provisions, an individual may be fined up to \$250,000 or imprisoned for up to 5 years, or both. Companies may be fined up to \$2 million per violation. Under alternative sentencing provisions, those penalties can be increased significantly.

A company can suffer serious consequences even if it is not convicted – mere indictment under the FCPA may trigger significant sanctions, such as debarment from government contracts. Also, FCPA prosecutions often include charges of other criminal violations, such as mail and wire fraud, money laundering, and conspiracy, and may lead to civil claims against the company. FCPA violations, moreover, can trigger investigations by non-U.S. governments, with the risk of penalties under local laws and loss of goodwill.

The **UKBA** has both criminal and civil penalties against corporations and individual associates. The maximum penalty for an individual convicted of bribery under the U.K. Bribery Act is 10 years' imprisonment, with an unlimited fine. A senior officer of a company who is a British citizen or resident can also be held liable for the actions of a company if it can be shown that the entity committed bribery with the officer's consent or connivance. Senior officer is defined broadly as a director, manager, secretary or other similar officer. A corporation convicted of bribery under the U.K. Bribery Act can be subject to an unlimited fine. Additionally, the company may be debarred from competing for public contracts.

Reporting Violations

Any associate or representative who has any question with respect to application of this policy of any other anti-bribery laws should consult with the Vice President of Compliance. Any associate who becomes aware of a violation or potential violation of the FCPA, UKBA or any other anti-bribery laws must promptly report this to the Vice President of Compliance or by using the [Global Ethics Hotline](#). **Rich's strictly prohibits retaliation for good faith reports of suspected misconduct. Rich's will investigate reported violations and will determine an appropriate response. All reports will be treated confidentially to the extent possible.**

Raise Concerns or Ask Questions

Compliance with the FCPA and UKBA demands the attention of each associate who negotiates with, or facilitates payments or transfers of value to, foreign officials. To facilitate compliance, the following procedures will be implemented.

Erika Marabella, Vice President Compliance, Deputy General Counsel is designated as the ABAC Compliance Coordinator for Rich Products Corporation. She may be contacted by phone at **716-878-8144**, or by email at emarabella@rich.com. Issues also may be raised by calling [Global Ethics Hotline](#).

For the purpose of providing legal advice and advising Rich's management of potential legal liability regarding the FCPA and the UKBA, the ABAC Compliance Coordinator has the following responsibilities:

- Communicates policy to Rich's associates.
- Collects and reviews compliance questionnaires ([Exhibit A](#) of this Policy).
- Investigates possible violations or legal issues brought to her attention.
- Informs the Finance and Audit Committee and Chief Financial Officer of the status of FCPA and UKBA compliance questionnaires and of possible violations or legal issues brought to her attention.
- Ensures appropriate action is taken to address possible violations or legal issues brought to her attention.
- Reviews recent developments and changes to the FCPA and UKBA, and communicates them to Rich's associates, subsidiaries, Joint Ventures and agents.

Confirmation Questionnaire

Rich Products Corporation's Executive Team and other select business, legal and finance associates as determined by the Vice President of Compliance must fill out, sign and return the attached questionnaire annually. The questionnaire should be completed and delivered to the Vice President of Compliance.

Exhibit A

COMPLIANCE QUESTIONNAIRE

The Anti-Bribery and Anti-Corruption Policy, a copy of which is attached, covers several important areas of business conduct. To ensure that Rich's and all associates comply with this policy, you are required to answer the following questions relating to the activities of Rich's as a whole and your Subsidiary or Geographic unit during the past fiscal year. For the purposes of this questionnaire, Subsidiary or Geographic unit includes associates, representatives and agents of your Subsidiary or Geographic unit. For each question below, click on the box to indicate your answer.

1. Have you read and do you understand the policy?

Yes

No

2. To the best of your knowledge, information and belief, has Rich Products Corporation or your Subsidiary or Geographic unit violated any of the Anti-Bribery or Anti-Corruption provisions of the policy?

Yes

No

3. To the best of your knowledge, information and belief, has Rich Products Corporation or your Subsidiary or Geographic unit violated any of the Accounting Provisions of the policy?

Yes

No

This questionnaire relates to your entire employment at Rich's, up to the date of your signature below.

Signature

Date

Name (please print)

Location

Department or Subsidiary or Geographic unit

Position

Delivery Instructions: Email to FCPA@rich.com.

