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Group Anti-Corruption Compliance Policy

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2509-MI60-00P1-0007

Page

1 of 9

MODEC GROUP POLICY

Ver	Status	Date	Originator	Reviewer	Approver
1	Final	10/20/2012	M. Lipowski	Y. Asama	MODEC Inc. Board of Executive Officers

REVISION HISTORY

REVISION NO.	DATE	REVISION INFORMATION
1	3/21/2013	Revise references from Chief Risk/Compliance Officer to Chief Compliance Officer to recognize new position created and staffed. Other minor modifications/clarifications.
2	5/28/2021	Replaced Management Board (MB) with Management Board, revised the language and wordings for clarity and consistency throughout the Compliance Policies, added C&E Designee to identify personnel to certify annual certification. Separated Appendix from the Policy for efficient update.

MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

INTRODUCTION

POLICY STATEMENT

MODEC, Inc. (“Company”) and its subsidiaries (“MODEC” or the “MODEC Group” or in singular, the “MODEC Group Company”) are committed to preventing bribery and to complying with the various anti-corruption laws that apply to our operations around the world. These laws include the Japan Unfair Competition Prevention Law (“UCPL”), the U.S. Foreign Corrupt Practices Act (“FCPA”), and, where applicable, the U.K. Bribery Act of 2010 (“UK Bribery Act”), as well as the laws of all countries in which MODEC does business. It is the policy of MODEC to comply with applicable anti-corruption laws and to conduct business in an ethical and professional manner.

OBJECTIVE

This Policy sets forth requirements to promote anti-corruption compliance within MODEC’s operations. Any exception from these requirements must have prior written approval by the MODEC Group Chief Compliance Officer (“CCO”).

SCOPE

This Policy applies to all MODEC entities and operations worldwide. This includes the operations of the MODEC Group companies, as well as any joint venture partnership, including special purpose companies (“SPCs”) and consortia, controlled by MODEC. All directors, officers, and employees of MODEC Group companies (“MODEC Personnel”) must comply with this Policy.

Suppliers and contractors who are agents of, or working on behalf of, or in the name of MODEC, are required to act consistently with this Policy when acting on our behalf.

MANAGEMENT RESPONSIBILITIES

The Company’s Board of Directors established the MODEC Group Compliance Committee (the “Compliance Committee”) to assist the Board: in overseeing the MODEC Group’s compliance with applicable laws and ethical standards that may impact the MODEC Group’s business operations or public image; and in monitoring and overseeing management implementation of policies and procedures to promote compliance with such laws and standards. Accordingly, with the oversight of the Compliance Committee, the Company’s Management Board (“MB”) is responsible for implementing this Policy and developing the standards, systems, processes, and procedures that enable the requirements in this Policy to be met. The CCO and the Compliance Committee will provide support and guidance to MODEC management in implementing this Policy and designate appropriate personnel for providing interpretations of this Policy.

REVIEW OF THIS POLICY

This Policy will be reviewed annually, or as frequently as determined to be necessary, by the CCO. Policy updates will be presented to and reviewed by the Compliance Committee. Following the review and recommendation by the Compliance Committee, the CCO will present the Policy updates to the MB. The MB will approve or reject the Policy updates presented. This Policy and all revisions will be maintained in accordance with the applicable document control and document retention policies.

MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

RELATED POLICIES

For further reference please refer to the below related policies:

- Group Third Party Intermediary and Business Partner Policy
- Group Gifts and Hospitality Policy
- Group Social Contributions Policy
- Group Compliance and Ethics Reporting Policy

DEFINITIONS

Anything of Value	Defined broadly to include, any financial or other advantage, including but not limited to: cash, cash equivalents (such as gift cards or vouchers), gifts, entertainment, meals, drinks, refreshments, other hospitality, charitable contributions, payment or reimbursement for travel expenses, vacations, accommodations or valuable favors (such as education and offers of employment opportunities for friends and relatives), and discounts and rebates. For purposes of this Policy, "Anything of Value" has no minimum value.
Business Partner	Includes any joint venture partners, special purpose company ("SPC") partners, and consortia members.
C&E Designee	Compliance & Ethics Designees are appointed by the CCO and given authority and responsibility to carry out day-to-day operational responsibilities related to this Policy in accordance with the directives of the CCO.
Chief Compliance Officer (CCO)	The corporate officer primarily responsible for overseeing the MODEC Group's compliance and ethics program.
Intermediary	Any third party intermediary that is reasonably likely to interact with a government entity or Public Official on MODEC's behalf, such as agents, lobbyists, brokers, representatives, consultants, distributors, and sales representatives.
MODEC Group Company Executive	An executive within a MODEC Group Company who has been delegated third party Intermediary and Business Partner approval authority pursuant to the Company's Authority Matrix and/or corporate charter.
MODEC personnel	All directors, officers, and employees of the MODEC Group companies.

MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

Public Official	<p>Broadly defined to include:</p> <ul style="list-style-type: none"> (i) any elected or appointed government official, officer, employee or person acting in an official or public capacity on behalf of a government (i.e., local, regional, and national, and legislative, administrative, judicial, and executive branches); (ii) any official or employee of a quasi-public or non-governmental international organization (sometimes referred to as “NGOs”) such as the United Nations, Red Cross, International Monetary Fund and the World Bank; (iii) any employee or other person acting for or on behalf of any entity that is wholly or partially government owned or controlled by a government (such as a national oil company); (iv) any person exercising legislative, administrative, judicial, executive, or regulatory functions for or pertaining to government (including any independent regulator); (v) any political party official, officer, employee, or other person acting for or on behalf of a political party; and (vi) any candidate for public office (even if not currently in office).
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MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

GROUP ANTI-CORRUPTION COMPLIANCE POLICY

1 PROHIBITED CONDUCT

1.1 PROHIBITION AGAINST GIVING OR OFFERING BRIBES

Bribes of any kind given to any person are strictly prohibited. MODEC personnel, and third parties acting on behalf of MODEC, must not knowingly offer, give, make payment, promise to pay, or authorize the payment of money or Anything of Value, directly or indirectly to or for the benefit of any person, including any Public Official, with the intention of corruptly influencing such person to obtain or retain business or secure any improper business advantage, including:

- Inducing the recipient (or another) to perform improperly a relevant function or activity connected with a business, trade or profession, performed in the course of a person’s employment, or performed by or on behalf of a body of persons;
- Influencing a Public Official to act (or to refrain from acting) in his or her official capacity; or
- Inducing a Public Official to use his or her influence with a government (or its instrumentality, such as a state-owned oil company).

1.2 PROHIBITION AGAINST REQUESTING OR RECEIVING BRIBES

MODEC personnel, and third parties acting on MODEC’s behalf are prohibited from requesting, agreeing to receive, or accepting Anything of Value to induce the performance of a relevant business function on behalf of MODEC improperly or to reward the improper performance of such a function, where there is an expectation that the function is to be performed in good faith, impartially, or in a position of trust.

1.3 FACILITATING PAYMENTS

MODEC generally prohibits “**Facilitating Payments**” to be made in connection with its operations. “Facilitating Payments” or “grease payments” are typically small customary payments to lower level Public Officials to expedite or secure the performance of certain non-discretionary, routine, governmental administrative actions. Such Facilitating Payments include, for example, small payments to expedite the processing of nondiscretionary governmental papers such as the issuance of a visa, to obtain an official stamp or signature on a document, to obtain routine, nondiscretionary business permits and licenses, and to expedite the movement of equipment, goods or persons to clear customs.

In many countries it is illegal under local law to make Facilitating Payments. MODEC recognizes that on rare occasions, making or offering Facilitating Payments or safety payments may be unavoidable. Such occasions include where an individual reasonably believes that there is an imminent threat to the health, safety, or welfare of an employee, family member, or co-worker. In such circumstances, the CCO must be notified as soon as possible after such payment is made. All payments made under this provision must be documented and properly and accurately recorded in the MODEC Group Company’s books and records.

MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

1.4 PROHIBITION AGAINST BRIBERY BY THIRD PARTIES

MODEC may be liable for corrupt activities of third parties, including Intermediaries and Business Partners, if they are acting on MODEC’s behalf. It is unlawful to make a gift, payment, or offer to a third party while knowing that all or a portion of the payment will go directly or indirectly to a Public Official. The term “knowing” includes conscious disregard of suspicious actions or circumstances and deliberate ignorance of facts. MODEC directors, officers and employees must not deliberately ignore circumstances that should reasonably alert them and the Company to the high probability of improper conduct or unlawful actions.

2 REPORTING REQUIREMENTS FOR INTERACTIONS WITH PUBLIC OFFICIALS

Given the sensitivities associated with interactions with Public Officials, MODEC requires that a meeting record be generated for most interactions – including meetings, telephone conferences, and video conferences – between a MODEC personnel, third party Intermediary, or Business Partner and any Public Official. Interactions with a Public Official shall be exempt from this reporting requirement if such interactions are directly related to the fulfillment of a contract that has been formally awarded to MODEC. See the [Frequently Asked Questions](#) for additional guidance.

The meeting record should include: the date, time, and place of the meeting, telephone conference, or video conference; the name, title, and affiliation (*i.e.*, company, organization, department, ministry, etc.) of all participants; the general topic of discussion; and any funds expended related to the meeting, telephone conference, or video conference. This meeting record should be submitted to the local Compliance & Ethics Designee within two weeks of the meeting.

MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

3 REQUIREMENTS FOR DEALINGS WITH THIRD PARTY INTERMEDIARIES AND BUSINESS PARTNERS

To protect MODEC from liability for corrupt activities of third party Intermediaries and Business Partners acting on MODEC’s behalf, MODEC has established procedures to govern relationships with certain types of third parties. The ***MODEC Group Third Party Intermediary and Business Partner Policy*** sets forth requirements that apply to selecting, retaining and monitoring third party Intermediaries and Business Partners that are reasonably likely to interact with a government entity or Public Official on MODEC’s behalf and to promote third party compliance with applicable anti-corruption laws and this Policy. Before retaining or renewing an agreement with a third party Intermediary or Business Partner, review of the relationship and approvals by the CCO and appropriate MODEC Group Company Executive are required. See the ***Frequently Asked Questions*** for additional examples of Intermediaries.

Joint ventures or SPCs controlled by MODEC are required to implement this Policy. Where MODEC does not have control over the joint venture or SPC, MODEC will make a good faith effort to require the entity to implement this Policy or a similar anti-corruption policy to detect and prevent corruption.

4 OTHER THIRD PARTIES

MODEC expects other types of third parties that are not reasonably likely to interact with a government entity or Public Official on MODEC’s behalf, such as certain independent contractors, vendors, or suppliers, to comply with the anti-corruption laws. Each MODEC Group Company should work to ensure that it enters into business relationships with reputable, qualified, and ethical third parties. When engaging such third parties, MODEC personnel should be sensitive to any evidence that the third party may be owned or affiliated with a Public Official or customer, which could present conflict of interests or corruption risks. See ***Frequently Asked Questions*** for additional guidance.

5 GIFTS AND HOSPITALITY

MODEC personnel, Intermediaries, and Business Partners are prohibited from giving or offering improper gifts or hospitality (including mementos, meals, drinks, travel, and entertainment) to any person, including any Public Official or commercial customer, with the intent of improperly influencing the recipient. Only lawful, appropriate and reasonable gifts and hospitalities may be offered or given to any person. All gifts and hospitality offered or given in connection with MODEC’s operations must comply with the specific limits, guidelines, and approval process set forth in the third party agreement, the ***MODEC Group Gifts and Hospitality Policy***, and any implementing procedures.

MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

MODEC personnel must not solicit or accept any gifts or hospitality in connection with their employment with MODEC, especially from individuals and entities that are subject to MODEC purchasing or business decisions. In limited circumstances, however, MODEC personnel may accept modest gifts or hospitality according to limits, guidelines, and approval processes set forth in the *[MODEC Group Gifts and Hospitality Policy](#)*.

6 SOCIAL AND POLITICAL CONTRIBUTIONS

MODEC prohibits the use of MODEC corporate funds or resources for Political Contributions. MODEC prohibits social contributions from being made for the improper purpose of obtaining or retaining business or otherwise securing a business advantage for MODEC. MODEC promotes corporate social responsibility by making social contributions in limited circumstances, including charitable contributions and donations, funding, scholarships, internships, and sponsorships. Individuals may participate in political activities in their personal time; however, political activities must be kept separate from MODEC's business at all times. All social contributions must comply with the *[MODEC Group Social Contributions Policy](#)*. In no circumstances may any third party, including any third party Intermediary or Business Partner, make a social or political contribution on MODEC's behalf.

7 BOOKS, RECORDS AND ACCOUNTING CONTROLS

MODEC and MODEC personnel must make and keep books and records that accurately and fairly reflect the transactions of MODEC and devise and maintain an adequate system of internal accounting controls. All payment arrangements must comply with all applicable laws and with the relevant MODEC accounting policies and procedures, including expense approval procedures.

8 TRAINING AND CERTIFICATION

MODEC personnel working in business development, finance, logistics, internal audit, and risk management departments, operating in countries determined by the CCO to have significant corruption risks, and who will likely interact with government entities or Public Officials on MODEC's behalf, are required to complete assigned anti-corruption training. The CCO will develop a communication plan to disseminate this Policy and to track training assignments and completions for employees impacted by this Policy. MODEC management will provide tailored training specific to localized anti-corruption risks, including to third party Intermediaries and Business Partners.

The CCO or C&E Designees shall identify MODEC personnel who must certify annually that they have read this Policy and agree to comply with the Policy. Such employees must execute the *[Anti-Corruption Compliance Certification](#)*, or an equivalent certification..

MODEC GROUP POLICY	Policy Category: 2509-MI60-00P1-0007
	Version Date: 28-MAY-21
Group Anti-Corruption Compliance Policy	Version: 1.2

9 MONITORING, RISK ASSESSMENT, AND AUDITING

The CCO will ensure that MODEC’s operations are audited for compliance with this Policy by qualified internal or external auditors on needed basis. The CCO also will ensure that MODEC conducts an assessment of its anti-corruption risks, as necessary. The CCO will update this Policy to address findings from audits and assessments, as required.

10 IMPLEMENTING POLICIES, PROCEDURES AND PROCESSES

MODEC Group companies shall develop supplemental local anti-corruption policies and procedures as needed to implement this Policy, so long as such policies and procedures do not conflict with this Policy. The CCO and C&E Designees shall support MODEC management in implementing this Policy.

11 VIOLATIONS AND DISCIPLINARY ACTION

MODEC could be subject to serious criminal and civil penalties for violating applicable anti-corruption laws, as well as reputational damage for association with corrupt activities, significant costs associated with investigations of allegations of corrupt activities, debarment from government contracting, and denial of export privileges, as well as civil suits by shareholders, clients and competitors. MODEC personnel and third parties who violate applicable anti-corruption laws may also be subject to severe criminal and civil penalties, including imprisonment and substantial fines. Failure to comply with this Policy may result in disciplinary action, up to and including termination.

12 REPORTING CONCERNS

Any person may report suspected violations of this Policy on a confidential and anonymous basis by calling the independent, toll-free, MODEC Ethics Hotline (the “Hotline”) or by using the MODEC Ethics Hotline web portal. Country-specific Hotline telephone numbers are listed and the Hotline web portal is accessible at www.moddec.ethicspoint.com. MODEC personnel may also report their concerns to their supervisor, the Human Resources Department, the CCO, the Compliance Committee, the MODEC, Inc. Board of Statutory Auditors, or to any member of management.

13 ADDITIONAL INFORMATION

See the *Frequently Asked Questions* , or contact your supervisor, any member of management, or the CCO with any questions regarding this Policy.