

International Supplement to Code of Business Conduct and Ethics Policy Regarding FCPA and Other Improper or Questionable Payments

XYZ Company (the "Company") expects its employees to comply with all U.S. and other locally applicable laws and to maintain the highest ethical standards of business conduct. The Company's Code of Business Conduct and Ethics ("Code of Ethics") applies to employees working both in the United States and in foreign countries. This International Supplement to the Code of Ethics emphasizes and clarifies aspects of the Code of Ethics that have particular relevance to employees involved with foreign operations.

1. **Payments to Foreign Government Officials or to Employees of Customers or Vendors.** No employee of the Company or any subsidiary shall make (or countenance) any payment to secure, maintain, or direct business, or for any other purpose, to any government official or to any employee of a customer or vendor. For these purposes, "government official" includes the employee of any government owned or controlled entity or any international organization, any political party or party official, or any candidate for public office. Payments made indirectly through a third party are also prohibited.
2. **Cash and Third Party Payments.** To avoid even the appearance of impropriety, no payments to any party shall be made in cash other than documented petty cash disbursements. No corporate checks shall be written to "cash," "bearer," or third-party designees of the party entitled to payment. No payments shall be made outside the country of residence of the recipient without the prior written approval of the Chief Financial Officer.
3. **Consultants and Agents.** No employee of the Company or any subsidiary may retain a consultant or agent until sufficient due diligence has been performed to enable the employee to conclude with reasonable assurance that the consultant or agent understands and will fully abide by the FCPA and the Company's Code of Ethics and this International Supplement. The Company must have a written agreement with each of its consultants and agents, and the agreement must specifically bind the consultant or agent to comply with the Company's Code of Ethics and this International Supplement and to comply with the FCPA as if it directly applied to the agent.
4. **Business Entertainment, Gifts, and Travel Expenses.** Employees must exercise good judgment and moderation in entertaining and offering gratuities to customers or vendors. When widely accepted, customarily practiced, consistent with customer policies, and permissible under local law, employees may entertain or make gifts not excessive in value to employees of non-governmental customers or pay bona fide travel expenses directly related to the promotion or performance of the Company's goods or services.

Without the prior written approval of the Chief Financial Officer, no entertainment or gifts may be offered, or travel expenses paid, to any government official (as defined above).

5. **Facilitating Payments.** "Facilitating payments" are small payments to a government official necessary to expedite or secure performance of a routine governmental action, such as obtaining official documents, processing governmental papers, providing postal or utility services scheduling inspections of goods for cross-country transit, or the loading or unloading of freight. Facilitating payments never include payments made to assist in obtaining or retaining business. Although discouraged, facilitating payments may be made in countries other than the United States where making such payments is a recognized and open practice, but only when approved in advance and in writing by the Chief Financial Officer.
6. **Political Contributions.** In certain countries, political contributions are lawful and expected as a matter of good corporate citizenship. Under these circumstances, contributions may be appropriate if lawful, prudent in amount, openly made and not likely to harm the Company's reputation if publicized and otherwise consistent with the exercise of good judgment. Use of the funds or assets of the Company or any subsidiary, directly or indirectly, to make political contributions, directly or indirectly, must be approved, in advance and in writing, by the Chief Financial Officer.
7. **Books and Records.** Employees must help to ensure that corporate books and records (which include virtually all forms of business documentation) accurately and fairly reflect, in reasonable detail, all transactions and dispositions of assets. No undisclosed or unrecorded fund or asset may be established or maintained for any purpose. No employee shall participate in falsifying any accounting or other business record, and all employees must respond fully and truthfully to any questions from the Company's internal or independent auditors.
8. **Warning Signs.** Employees must be alert for conduct that could signal that an agent or consultant of the Company intends to make or conceal improper payments. This would include "red flags" like the following:
 - (a) A request for payments for expenses or purposes inconsistent with the terms of the agreement with the agent or consultant.
 - (b) A request for payment to a third party.
 - (c) A request for payments in a form or to a bank or business location inconsistent with the terms of the agreement with the agent or consultant.
 - (d) Payments drawn from incorrect accounts.
 - (e) Lack of documentation supporting a payment request.

- (f) Payments to a vendor or service provider who appears to lack the necessary qualifications or resources to perform.
 - (g) A refusal to certify compliance with the FCPA.
9. **Compliance.** Failure to comply with the Code of Ethics or this International Supplement will be grounds for termination or other disciplinary action. Designated personnel will be asked to certify annually that they have read the Code and this Supplement and have complied with its provisions. Any employee with questions about these policies or information concerning possible violations should contact the Chief Financial Officer.