



# ZENTECH, INC.

## ANTI-CORRUPTION POLICY

### ACP-HSQ-DOC-100-100-000

Version 02



**PREPARED BY  
ZENTECH, INC.**

14800 SAINT MARY'S LANE, SUITE 270

HOUSTON, TEXAS 77079, USA

T: +1-281-558-0290

F: +1-281-558-0295

<http://www.zentech-usa.com>

[zentech@zentech-usa.com](mailto:zentech@zentech-usa.com)

**May 2016**



## **TABLE OF CONTENTS**

1. Objective
  2. Scope and Applicability
  3. Reference documents
  4. Policy details
  5. Gifts and hospitality
  6. Anti-Corruption Laws
  7. Business relationships
  8. Training and communication
  9. Disciplinary Proceedings
- Appendix A



## 1. Objective

Zentech Technical Services, Inc. /dba Zentech, Inc. (hereinafter referred to as “Zentech”) is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices.

The purpose of this Anti-Corruption Policy is to emphasize Zentech’s commitment to conducting business with honesty and integrity, and to explain the specific requirements and prohibitions of the laws of the principal countries in which Zentech operates that govern dealings with government officials and other government representatives.

## 2. Scope and Applicability

This Anti-Corruption Policy applies to all business transactions entered into on Zentech’s behalf by any individuals, worldwide, working for Zentech, including all affiliates and partners at all levels and grades, directors, senior executives, officers, employees (whether permanent, contract or temporary), agents, contractors, casual workers, and any other person associated with Zentech.

## 3. Reference Documents

- OECD Convention on Combating Bribery of Foreign Officials in International Business Transactions (OECD Convention)
- US Foreign Corrupt Practices Act (FCPA)

## 4. Policy Details

A bribe is an inducement, payment, reward or advantage offered, promised or provided to any person in order to gain any commercial, contractual, regulatory or personal advantage. It is illegal to directly or indirectly offer a bribe or receive a bribe. It is also a separate offence to bribe a government/public official.

A bribe may be anything of value and not just money. This includes but is not limited to gifts, inside information, sexual or other favors, corporate hospitality or entertainment, offering employment to a relative, payment or reimbursement of travel expenses, charitable donation or social contribution, and can pass directly or through a third party.

### **Examples of bribery:**

Offering a bribe: Mary, an employee of X Company, offers a potential client tickets to baseball game, but only if they agree to do business with X Company. This would be an offense as Mary only is making an offer to gain a commercial advantage. It may also be an offense for the potential client to accept Mary’s offer.



Receiving a bribe – Jose works in the in Brand X Automobiles. A regular supplier offers a job for Jose’s cousin, but makes it clear that in return they expect Jose to use his influence to ensure Brand X Automobiles continue to do business with the supplier.

Bribing a government official – Tony is asked to arrange for a payment to be made to a customs official to speed up the administrative process of clearing our goods through customs.

“Red flags” that may indicate bribery or corruption are set out in Annexure A to this Policy.

## 5. Gifts and Hospitality

This Policy does not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure, such as calendars, diaries, pens, meals and invitations to theatre and sporting events (given and received), to or from Third Parties. However, the key determining factor for appropriateness of the gift or hospitality and/or its value would be based on facts and circumstances under which such gift or hospitality is provided.

The practice of giving gifts and hospitality is recognized as an established and important part of doing business. However, it is prohibited when they are used as bribes. Giving gifts and hospitality varies between countries and sectors and what may be normal and acceptable in one country may not be so in another.

The giving or receiving gifts or hospitality is acceptable under this Policy if all the following requirements are met:

- It is not made with the intention of influencing a Third Party to obtain/retain business or a business advantage or to reward the provision or retention of business or a business advantage or in explicit or implicit exchange for favors/benefits or for any other corrupt purpose.
- It complies with local laws and customs.
- It does not include cash or a cash equivalent (such as gift certificates or vouchers).
- It is appropriate in the circumstances. For example, in the United States, it is customary for small gifts to be given during the Winter Holiday Season.
- Taking into account the reason for the gift or hospitality, it is of an appropriate type and value and given at an appropriate time.
- It is given openly, not secretly and in a manner that avoids the appearance of impropriety.
- It is acceptable to the company of the receiving person for their employees to accept gifts.

### **Examples of improper gifts and hospitality:**

1. \$10,000 spent on dinners, drinks, and entertainment for a government official
2. A \$12,000 birthday trip for a government decision maker from Mexico that includes visits to wineries and dinners



## 6. Anti-Corruption Laws

The U.S. Foreign Corrupt Practices Act (the “FCPA”) makes illegal for U.S. citizens and companies, their directors, employees and agents, as well as foreign companies or person whose activities are connected to the United States (sending an email to the United States may be sufficient to bring conduct within the scope of the FCPA) to offer to pay, pay, promise to pay, or authorize the payment of money or anything of value to a foreign (e.g., non-US) official in order to influence any act or decision of the foreign official in his or her official capacity or to secure any other improper advantage in order to obtain or retain business.

Following are definitions of corrupt and fraudulent practices:

- A corrupt practice is the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party.
- A fraudulent practice is any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.
- A coercive practice is impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.
- A collusive practice is an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party.

## 7. Business relationships

Zentech expects all Third Parties doing business with Zentech to approach issues of bribery and corruption in a manner that is consistent with the principles set out in this Policy. Zentech requires all Third Parties to cooperate and ensure compliance with these standards in order to continue the business relationship.

To comply with the Anti-Corruption Laws, Zentech must undertake a careful review when working with a business partner. This review includes: background research on the Business Partner, interview with relevant partner representatives, and collection of relevant information from the business partner.

Anti-Money Laundering – No Zentech Representative shall use its relationship with Zentech to attempt to disguise the sources of illegally obtained funds.

## 8. Training and communication

This policy has been adopted by the Zentech Management Team and is to be communicated to everyone involved in our business to ensure their commitment to it. The team attaches the utmost importance to this policy and will apply and enforce a strict “zero tolerance” approach to acts of bribery and corruption by any of our employees or by business partners working on our behalf. Any breach of this policy will be regarded as a serious matter by the Company and will result in disciplinary



action for employees, including where appropriate summary dismissal, or cessation of business in the case of business partners.

In summary Zentech is committed to the following principles:

- Zentech will carry out our business fairly, honestly and openly.
- Zentech will not give or offer money, gift, hospitality or other advantage to a person carrying out a business or public role, or to a third party associated with that person, to get them to do something improper, or to foreign public officials with the intention of influencing them to our business advantage.
- Zentech will not use intermediaries or contractors for the purpose of committing acts of bribery.
- Zentech will not do business with others who do not commit to doing business without bribery.
- Zentech does not allow our Directors, Managers or employees to accept money, gifts, hospitality and other advantages from business associates, actual or potential suppliers, or service providers which are intended to influence a business decision or transaction.
- Zentech's employees should use good judgment; "everyone else does it" is not sufficient justification for giving or accepting a gift or entertainment that would otherwise be improper.
- No Zentech employee will suffer demotion, penalty, or other adverse consequence for refusing to pay bribes, even if it may result in the company losing business.

Employees should be trained to spot certain "red flags" which may give rise to suspicions of corrupt activity or bribery. These will typically include the following:

1. Lack of knowledge and/or paperwork around a third party or payments to them, or inconsistent details provided
2. Third party does not appear to have the required experience or staff
3. Requests for payments to off-shore accounts or jurisdictions or which otherwise are inconsistent with your knowledge of the third party's business activities
4. A request by a person to structure a transaction to evade normal record keeping and/or reporting requirements or to structure it in a way that appears to have no legitimate business purpose, for example increasing prices or paying funds under cover of a side letter
5. Requests for the making of "advance payments" that are not part of a documented contract or proposal
6. Requests for payments to persons not otherwise involved in a transaction
7. Requests to vary the fees or commission to meet unidentified "expenses"; and use of consultants or representatives who are closely connected with the government or a political party, or have been specifically requested by a public official or the representative of a customer
8. Inability to provide supporting documentation/invoices



## 9. Disciplinary Proceedings

Anyone who violates applicable anti-corruption Laws may be subject to civil and criminal penalties. Violations of this Policy will not be tolerated. Any Zentech personnel or partner who violates this Policy will be subject to disciplinary action up to and including termination of employment or relationship with the Zentech.

Additional helpful information may be found at:

United Nations Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org))

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions ([www.oecd.org](http://www.oecd.org))

Foreign Corrupt Practices Act (FCPA) ([www.justice.gov/criminal/fraud](http://www.justice.gov/criminal/fraud))

Transparency International Corruption Perceptions Index ([www.transparency.org](http://www.transparency.org))

<http://www.oecd.org/corruption/Anti-CorruptionEthicsComplianceHandbook.pdf>



## Appendix A

DOC1 Declaration of Compliance

SCQ1 Subcontractor Compliance Questionnaire



### Declaration of Compliance

(“The Project”)

\_\_\_\_\_ (hereinafter “Subcontractor”) hereby represents warrants and certifies to Zentech, Inc. as follows:

1. Subcontractor has received and understood a copy of the Zentech Anti-bribery and Anti-corruption Policy. The Subcontractor understands the U.S. Foreign Corrupt Practices Act.
2. Subcontractor has not engaged in any conduct that violates the anti-bribery and anti-corruption laws of any countries and will perform subcontractor’s duties in full compliance with such legislation.
3. Subcontractor declares that neither it, nor any of its executives or employees, or its affiliates are under current criminal investigation or have been subject to any civil or criminal enforcement actions, for improper conduct relating to bribery, corruption, or violation of the laws governing business corporate entities.
4. Subcontractor will not offer, arrange for or pay, either directly or indirectly, anything of value to a Government Official, political or a candidate for political office for the purpose of inducing a Government Official to perform or fail to perform his/her official duties to assist subcontractor or Zentech, Inc, in obtaining business, retaining business or securing any improper advantage in connection with the Project.

Subcontractor agrees that the information contained in the Compliance Questionnaire is accurate and complete; subcontractor will immediately notify Zentech, Inc. and provide a supplementary report detailing such change.

Signed by: \_\_\_\_\_

Full Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



### Subcontractor Compliance Questionnaire

|  |  |   |                   |
|--|--|---|-------------------|
| Subcontractor Name   |  |   |                   |
| Name and Title of person completing questionnaire  |  |   |                   |
| Email address of person completing questionnaire   |  |   |                   |
| Phone number of person completing questionnaire  |  |   |                   |
| Business address of Subcontractor  |  |   |                   |
|  |  |   |                   |
| City   |  | Region/State  | Postal (Zip) Code |
| Please list all ownership and parent companies percentage of each if any   |  |   |                   |
| Please list of your company's Directors and Officers including their date of birth, nationality and country of residence   |  |   |                   |
| What is the legal organization of your company?  |  | <input type="checkbox"/> Corporation <input type="checkbox"/> Individually owned<br><input type="checkbox"/> Partnership <input type="checkbox"/> Joint Venture<br><input type="checkbox"/> Other, please detail<br>_____ |                   |
| Are you familiar with the anti-corruption laws applicable to the project including the requirements of the OECD Convention, the U.S. Foreign Corrupt Practices Act?  |  |   |                   |
|  |  |   |                   |
| What are your company's policies in respect of compliance with anti-corruption laws?   |  |   |                   |
|  |  |   |                   |
| Has your company or any of its affiliates, or any current director or officer ever been suspended from doing business in any capacity or has been charged with or investigated as a result of fraud, misrepresentation, corruption, bribery, money laundering or other related activities? |  |   |                   |
|  |  |   |                   |
| Signature of preparer: _____ Date: _____   |  |   |                   |