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## **MOCON INC. FOREIGN CORRUPT PRACTICES ACT (FCPA) POLICY**

### **PURPOSE**

The purpose of this Policy is to explicitly set forth the Company's requirements regarding compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA").

### **SCOPE**

This Policy applies to MOCON, Inc. including all of its divisions and subsidiaries wherever located (collectively, the "Company") and to all Company Representatives (as defined below). Even though some Company subsidiaries are organized under the laws of a foreign country, the activities of all of the Company's direct and indirect subsidiaries are subject to the FCPA because they are ultimately owned by a U.S. corporation. This Policy should be read in connection with the Company's Code of Ethics, and all of the Company's employees and representatives are expected to fully comply with this Policy, the Code of Ethics and all other Company policies.

### **POLICY**

#### **General**

The Company and each director, officer, shareholder, employee, agent, consultant, representative, distributor, licensee or joint venture partner of the Company (collectively, "Company Representatives") must fully comply with the FCPA and all other applicable anti-corruption and anti-bribery laws. No Company Representative has any authority for, on behalf of, or for the benefit of, the Company to violate in any way the FCPA or any applicable anti-corruption or anti-bribery law.

#### **Summary of the FCPA**

The FCPA prohibits companies and their representatives from paying, offering to pay, or giving anything of value to any Foreign Official (as defined below) in order to corruptly influence the Foreign Official or to secure any unfair advantages.

Foreign Official(s) means any non-U.S. government official (including employees of government-owned and government-controlled companies, and employees of public international organizations), political party, party official or candidate, and anyone working in an official capacity for or on behalf of a non- U.S. government, government-owned or government-controlled company, public international organization or political party. Employees of national oil companies, members of the military, employees of state-owned universities, and immigration and customs officials are all examples of Foreign Officials.



## **Specific Provisions of the FCPA**

The FCPA has two main parts: (1) the anti-bribery provisions and (2) the record keeping and internal controls provisions.

### **Anti-Bribery**

The FCPA's anti-bribery provisions make it illegal to bribe Foreign Officials in order to obtain or retain business or otherwise gain an improper advance. Specifically, these provisions prohibit the Company and Company Representatives from paying, or offering or promising to pay, anything of value, directly or indirectly, to any Foreign Official for the corrupt purpose of (1) influencing an official act or decision of that person, (2) inducing that person to do or omit doing any act in violation of his or her lawful duty, (3) securing an improper advantage or (4) inducing that person to use his or her influence with a foreign government to affect or influence any government act or decision.

Accordingly, every Company Representative is prohibited, under all circumstances (except only for extortion payments as more fully explained below), from offering, giving or accepting bribes or kickbacks to or from any person, including any Foreign Official. Any demand made to a Company Representative for a bribe must be brought by immediately to the attention of the Company's Chief Financial Officer using the contact information at the end of this Policy to make a report. These payments are prohibited regardless of the source of the funds, so personal funds must not be used to make any payment prohibited by this Policy.

### **Permitted Payments**

Certain limited categories of payments are expressly allowed under the FCPA. However, these payments are allowed in only limited circumstances and can only be made as permitted under this Policy.

#### *Gifts*

The FCPA permits payments, gifts, offers or things of value that are lawful under the written laws and regulations of the foreign country in which they are made. To ensure compliance with the FCPA, no Company Representative may make a payment, gift, or other offer of value to a Foreign Official without the prior written approval of the Company's Chief Financial Officer. No approval should be requested if the making of the payment, gift or offer would violate any applicable law or regulation. Any gifts or payments that are made after receiving approval must be promptly reported to the Company's financial department so the transaction can be properly reported on the Company's books and records.

#### *Hospitality*

The FCPA permits reasonable and bona fide expenses, such as travel and lodging expenses, incurred by a Foreign Official in connection with the bona fide promotion, demonstration or explanation of the Company's products and services. Such expenses do not include those incurred by the Foreign Official's spouse or family member or the costs of a personal side trip. Before making any commitments to a Foreign Official with regard to such expenses, and before



paying any such expenses, a Company Representative must obtain the prior written approval of the Company's Chief Financial Officer. All hospitality expenses must be promptly reported to the Company's financial department so the transaction can be properly reported on the Company's books and records.

#### Charitable donations and political contributions

The FCPA permits bona fide charitable donations and political contributions. However, such payments can violate the FCPA if they are made for an improper purpose. To ensure compliance with the FCPA, no Company Representative may make a charitable donation or political contribution, in connection, directly or indirectly, with their duties, responsibilities or capacity as a Company Representative without the prior written approval of the Company's Chief Financial Officer. Any charitable donations or political contributions that are made after receiving approval must be promptly reported to the Company's financial department so the transaction can be properly reported on the Company's books and records.

#### Facilitating Payments

Facilitating payments are permitted under the FCPA. A "facilitating payment" is a payment to a Foreign Official for the purpose of expediting or securing the performance of a routine government action. Routine actions are non-discretionary in nature, (i.e., a duty which the official is bound to perform). Facilitating payments cannot influence the outcome of the official's action - only the timing. Determining whether or not a payment is a facilitating payment can be difficult and will depend on the circumstances. Unless a Company Representative is absolutely sure that a payment would qualify as facilitating payment, he or she should contact the Company's Chief Financial Officer before making it. All facilitating payments over USD 100 (or the foreign currency equivalent) require the prior written approval of the Company's Chief Financial Officer. The approval request must list the details of the proposed payment, such as the amount, the recipient, the recipient's role, and the purpose. In no event should a facilitating payment be made if doing so would violate any applicable law or regulation. Any facilitating payment that is made must be promptly reported to the Company's financial department so the transaction can be properly reported on the Company's books and records.

#### Extortion

A demand for payment accompanied by threats of physical violence and that cause a genuine and imminent concern for one's personal safety is extortion. When a payment is extorted by a Foreign Official who threatens imminent bodily harm, a Company Representative is permitted to, and should, make the payment that is demanded. Any extortion demand must be reported to Company's Chief Financial Officer as soon as it can be safely done. Any such payments will be properly reported on the Company's books and records.



### **Record Keeping**

The Company is required under the FCPA, as well as other applicable laws and regulations, to keep books, records, and accounts in reasonable detail that accurately and fairly show the Company's assets and the results of all transactions involving the Company's assets. The Company maintains a system of internal accounting and operating controls and procedures that are designed to ensure that its books, records and accounts are accurate. All Company Representatives are required to provide any and all financial and business transaction information to and within the Company so that all underlying transactions are properly documented, recorded, and reported. A failure to accurately and fairly document any transaction, whether it is a legitimate payment or a bribe or a failure to report information to allow for such documentation, is a violation of this Policy.

### **Annual Review of Policy**

The Chief Financial Officer is responsible for ensuring that this Policy is reviewed annually and updated as necessary to reflect relevant developments in the law and the Company's risk profile and other relevant matters.

### **Contact Information**

This Policy is not intended to be an explanation of all the specific provisions of the FCPA or an exhaustive list of prohibited or unwise business practices. If an action or payment is allowed under the FCPA or other laws but is prohibited by this Policy, then this Policy controls.

Any questions should be addressed to the Company's Chief Financial Officer who can be reached at:

E-Mail: [dlee@mocon.com](mailto:dlee@mocon.com).

Phone: (763) 493-7217

or address a letter to the above at the Company's home office:

7500 Mendelssohn Avenue North

Minneapolis, Minnesota 55428