



Anti-Corruption Guidelines for Teledyne Third Parties

Requirements for Doing Business with Teledyne

As a representative of Teledyne in the marketplace, we have certain requirements related to your business operations which are reflected in your agreement with Teledyne:

1. Compliance with Teledyne's Code of Conduct for Service Providers.
2. Compliance with all applicable laws and regulations.
3. Avoiding bribery and other corrupt practices to gain or retain business – bribery is illegal and contrary to Teledyne's values.
4. Compliance with all applicable trade compliance laws and regulations, including export controls, sanctions and customs/import requirements.
5. Full cooperation with our periodic vetting process.
6. Prompt investigation and remediation of ethics and compliance concerns that may arise in your business operations.

Always Operate with the Highest Ethical Standards

What are Anti-Corruption Laws and How Do They Apply to Your Business?

- Every country has laws prohibiting bribery of their own government officials, and most have laws which prohibit commercial bribery and bribery of foreign government officials.
- Laws such as the U.S. Foreign Corruption Practices Act (“FCPA”), the UK Bribery Act, the Canadian Corruption of Foreign Public Officials Act, and China’s anti-corruption laws make it illegal to offer anything of value to a government official (including an employee of a state-owned entity) for the purpose of obtaining or retaining business or an unfair advantage.
- The FCPA applies wherever you are because you are representing Teledyne, which is a U.S. corporation. The FCPA also requires Teledyne to maintain accurate financial books and records.
- Businesses and individuals can be prosecuted for engaging in bribery or corruption.
- When acting on behalf of Teledyne, you are expected to follow all the laws that apply.

The reputations of both of our companies are at stake!

FAQ #1: What is “anything of value”?

Anything of value can literally be anything! Money, charitable donations, loans, golf outings, tickets to sports events, travel expenses, meals, entertainment, gifts, gift cards, offers of employment, and personal favors are just some examples.

What Limitations Does Teledyne Place on Your Business in Relation to Gifts and Hospitality?

- All trips or entertainment provided to government officials and commercial parties must have a legitimate business purpose, such as technical training or factory acceptance testing. Someone from your company must be in attendance.
- All expenses must be reasonable, appropriately tied to the business being conducted, and legal in the countries of both the giver and receiver.
- Trips cannot exceed the time required to accomplish the business purpose. No extra days for sight-seeing are allowed.
- No trips or other benefits may be provided to spouses, family members or friends of invitees. They are responsible for paying their own expenses.
- Payments can be inappropriate even if they are made indirectly, e.g., to a charity associated with a customer, a customer’s family member disguised as a personal gift, or a political donation.
- All travel must be cleared with the recipient’s employer in advance. Arrangements should be made and paid with vendors directly rather than reimbursing the recipient. Cash, cash equivalents and per diems are never acceptable.
- Multiple trips and gifts can add up. You are expected to track everything you provide to a recipient over the course of a year, and check with your Teledyne point of contact if you may be exceeding permissible thresholds.
- Teledyne also has restrictions on what our employees can receive from you and other third parties.

Violations may result in termination of your contract with Teledyne!

FAQ #2: Our customers are coming a long way to attend a conference. What kind of entertainment can I provide them consistent with these Guidelines?

You may entertain your customers but the entertainment must not take up a substantial portion of the agenda for the trip. Examples of reasonable entertainment would be a two-hour bus tour of the city you are in, or a play or baseball game in the evening. Day-long sightseeing outings, spa treatments, and trips to amusement parks will not be permitted. Inappropriate adult entertainment is never allowed.

Test Your Knowledge

Scenario 1:

Sam works for a Teledyne distributor. The distributor has spent months trying to win a sale for Teledyne, but the competition is steep. The buyer at the customer tells Sam that she can guarantee Sam's company will win the bid if Sam can give the buyer a \$10,000 payment. Can Sam ask Teledyne to discount the product \$10,000 more, so he will have the extra \$10,000 to give to the customer?



Answer:

No! Even though the \$10,000 USD would be paid by Sam and not Teledyne, it would violate anti-bribery laws. No offers of payment or anything of value can be made by any Teledyne third party to unfairly win a sale.

Scenario 2:

Amad is an employee of a Teledyne distributor. Amad's customer needs to come to Amad's facility to test the Teledyne product before acceptance. Amad wants to fly the customer in a few days early and pay for him to go sight-seeing, in hopes that this gesture will improve his chances of winning a follow-on contract. Can Amad do this?



Answer:

No! Trips cannot exceed the time required for the business purpose. Teledyne would not allow its distributor to do this, and it could potentially be illegal.

Scenario 3:

Stefan is a Teledyne sales representative. Stefan sells into countries in Asia where it is still custom to provide gifts to business associates as a gesture of good will. Stefan decides to start leaving gold jewelry in his customers' offices from time to time to let them know that he considers them important business partners. Is Stefan's activity reasonable?



Answer:

No! Gold jewelry would be considered lavish and inappropriate. Any gifts provided should be nominal in value and transparent (not hidden or secret) and tied to business, such as promotional items that bear company logos.

Scenario 4:

Zahara is a Teledyne consultant. Teledyne has engaged Zahara to obtain certification from the local government for Teledyne's products to be sold in the country. The government agent tells Zahara that unfortunately the products fail to meet the certification requirements, but he can look past it if she pays him \$5,000 USD. Can Zahara make the payment so long as it is with her own money instead of her company's money?



Answer:

No! It does not matter who makes the payment. No one can make a payment on behalf of Teledyne to gain an unfair advantage. This would be against Teledyne policy and illegal.



Raising Compliance Questions or Concerns

All employees and third parties can contact any of the following with questions or concerns:

- ❖ Teledyne's Executive Vice President, General Counsel, Chief Compliance Officer and Secretary, Melanie S. Cibik, at Melanie.Cibik@teledyne.com
- ❖ Teledyne's Senior Ethics, Anti-Corruption and Compliance Counsel, Esther Quartarone, at Esther.Quartarone@teledyne.com
- ❖ Our confidential Ethics Help Line, which is available to our employees and partners 24/7. If you file a report, provide as much detail as possible to allow us to properly investigate. 1-877-666-6968 or www.teledyne.ethicspoint.com.
(*International dialing instructions are available at the website.*)