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## **DRESSER UTILITY SOLUTIONS INTEGRITY POLICY SUMMARY**

### **1. ETHICAL BUSINESS PRACTICES**

Dresser Utility Solutions (DUS) expects its representatives to use only ethical practices in promoting and selling goods and services and in representing DUS to governmental authorities. This statement of policy sets forth the ethical standards of conduct and practices which must be followed with respect to certain kinds of payments, entertainment and political contributions. DUS will not authorize, involve itself in or tolerate any business practice that does not follow this statement of policy. Nothing in this statement of policy expands or increases the authority to represent DUS granted by DUS to the representative under the contract between the parties.

#### **REQUIREMENTS:**

##### **General**

- **Never make or offer, directly or indirectly, anything of value (such as a bribe or kickback) to a customer or government official to influence or reward an action. A business courtesy, such as a gift, contribution or entertainment, should never be offered under circumstances that might create the appearance of an impropriety.**
- Obey the laws on **Combating Bribery of Foreign Public Officials in International Business Transactions Laws** and the laws of other countries that relate to matters covered by this statement of policy.

##### **Political contributions**

- Obey the laws implementing the laws on **Combating Bribery of Foreign Public Officials in International Business Transactions Laws** and the laws of other countries in promoting DUS's or your business's position when dealing with government authorities and in making political contributions.
- Never make or offer, directly or indirectly, a payment or anything of value (such as a bribe or kickback) to any political party, party official, or any candidate for political office of a country outside the U.S. to influence or reward any governmental act or decision.

##### **Permissible payments**

- You may provide customers with ordinary and reasonable entertainment and gifts only if they are permitted by the following:
  - The law
  - The customer's own policies and procedures
  - Your business's procedures
- This statement of policy does not prohibit lawful reimbursement for reasonable and bona fide expenditures such as travel and living expenses incurred by customers and directly related to the promotion of products or services, or the execution of a contract.
- DUS will terminate contracts with consultants, sales representatives, distributors, independent contractors and any other third parties who are unwilling or unable to represent DUS in a manner consistent with this statement of policy.

## **2. FOLLOWING INTERNATIONAL TRADE CONTROLS**

To do business in today's global environment, DUS and its affiliated companies and representatives must follow these laws and regulations. This includes following laws and regulations prohibiting cooperation with boycotts against countries friendly to the U.S. and business with "blacklisted" U.S. firms.

### **REQUIREMENTS:**

- Implement programs to assure compliance with European & U.S. laws and regulations governing international transactions.
- Avoid all transactions prohibited by European & U.S. laws or regulations.
- Follow all relevant international trade control regulations, including licensing, shipping documentation, import documentation reporting and record retention requirements.
- Avoid any role in restrictive trade practices or boycotts prohibited or penalized under European & U.S. laws.
- Carefully watch for "red flags" which might indicate unusual licensing requirements, illegal activities or any other violations of this or related DUS policies. Red flags may include:
  - Unknown customer without convincing references, unusual transaction or application for the consignee, customer, end use, or location
  - Evasive, reluctant, or otherwise unsatisfactory answers by a customer to questions about end use, end-user, delivery dates, or delivery locations
  - Unusually favorable payment terms
  - Lack of concern for normal training and warranty service
  - Freight forwarder listed as ultimate consignee
  - Abnormal packing, marking, or routing of goods
  - Unusual security or safety measures
  - Inappropriate military links
  - Transaction with embargoed destination
  - Inaccurate or incomplete invoice description of articles
  - An invoice price that does not reflect the full value of the imported goods

## **3. WORKING WITH GOVERNMENT AGENCIES**

DUS and its representatives must excel as honest, responsible suppliers to all government customers. In the global economy, our customers may include not only federal, state and local governments within the United States, but also government customers throughout the world.

This statement of policy describes the company's standards and practices in working with government agencies whether as a prime contractor or subcontractor. It also requires DUS representatives to be truthful and accurate when responding to government officials responsible for regulating the industries in which we do business.

DUS standards require more than just obeying the letter of the law. They require that all DUS representatives uphold the spirit of the law in adhering to the highest standards of honesty and integrity, avoiding even the appearance of impropriety.

## **REQUIREMENTS:**

### **Transactions with government agencies**

- Adhere to the highest standards of honesty and integrity.
- Abide by all applicable laws.
- Comply with applicable government regulations and procedures, whether DUS or your business is prime contractor or subcontractor.

### **Interactions with government officials**

- Make sure that reports, certifications, statements, proposals and claims made to government agencies are truthful and accurate.
- Gifts and entertainment to officials and employees of the governments are highly regulated and often prohibited. Do not provide such gifts and entertainment unless you have determined that you are permitted by applicable laws and regulations, and your business's policies and practices to do so.
- Respect conflict-of-interest laws and regulations regarding the recruitment, hiring or activities of present or former government employees.

### **Contract proposal and negotiation**

- Follow the Public Procurement laws and other laws and regulations pertaining to procurement. Obtain source selection, competitive or proprietary information only when the government Contracting Officer has authorized release of such information.
- In negotiating certain government contracts, contractors must submit all required cost and pricing data before the contract is awarded. Contractors must also certify in writing that the data are current, accurate and complete. Therefore:
  - Maintain current, accurate and complete records of all cost or pricing data. Certify and disclose all data when required by law. When in doubt, disclose.
  - Report, prior to certification, all changes or errors in cost or pricing data.

### **Contract performance**

- Meet contract requirements for design, manufacture, materials, testing and any other relevant specifications.
- Purchase materials and services for government contracts only through your approved sourcing operation and comply with your business's purchasing procedures in areas such as truth in negotiations and source selection.
- Avoid unauthorized substitutions, including use of imported materials where domestic materials are specified in the contract.
- Do not deviate from contract requirements without written approval of the authorized government procurement official.
- Accurately allocate costs to the proper contracts. Avoid mischarging, which can result, for example, from improperly filling out time cards, vouchers, charging insupportable overhead costs, incorrectly classifying costs or shifting of costs between contracts.
- Comply with executive orders, laws, and regulations applicable to government contractors which require equal employment opportunity, affirmative action and other such contractual requirements.

### **Conflicts of interest**

- Avoid business or financial relationship with suppliers, subcontractors, customers or direct competitors which could interfere, or appear to interfere, with the proper performance of your role as an DUS representative.

### **Security**

- Follow security regulations of the U.S. Government and all other governments having jurisdiction over operations in a particular country. Those regulations cover plant and office security, the proper handling of classified material, travel, personal contacts, and other activities of representative employees both on and off the job.

## **4. COMPLYING WITH THE ANTITRUST LAWS**

The antitrust laws of the United States and the competition laws of other countries are a critical part of the business environment in which DUS and its representatives operate. They govern the day-to-day conduct of DUS's and its representative's businesses in setting prices and other aspects of purchasing, selling and marketing goods and services.

DUS is dedicated to compliance with the antitrust laws in all of its activities. Every DUS representative is responsible for compliance with the antitrust laws.

### **REQUIREMENTS:**

- Comply with all applicable antitrust laws, including federal and state antitrust laws of the U.S., and the competition laws of other countries where your company does business.
- Understand the basic requirements of the antitrust laws, decrees and orders that apply to your business's activities.
- Do not propose or enter into any agreements or understandings - expressed or implied, formal or informal, written or oral - with any competitor relating to the following aspects of a competition between DUS or your company and the competitor for sales to third parties:
  - Prices
  - Terms or conditions of sale
  - Costs
  - Profits or profit margins
  - Product or service offerings
  - Production or sales volume
  - Production capacity
  - Market share
  - Decisions to quote or not to quote
  - Customer or supplier classifications or selection
  - Sales territories
  - Distribution methods
- Even when there are appropriate reasons for communications between companies (such as customer or supplier issues arising from a potential joint venture), meetings and discussions between competitors present potential legal risks. Avoid creating the appearance of improper agreements or understandings by

keeping communications with competitors to a minimum and making sure that there is a legitimate business reason for all such communications. Consult with your business's legal counsel regarding the steps you should take to minimize the potential legal risks posed by communications with competitors.

- Do not propose or enter into any agreements or understandings with customers which restrict the price at which the customer may resell or lease any DUS product or service.

#### **Application to international activities**

U.S. antitrust laws may apply to DUS's activities in other countries whenever they have an impact on U.S. domestic or foreign commerce. In addition, many countries in which DUS or its representatives do business have their own antitrust laws. Some of these laws are similar to U.S. antitrust statutes and others are quite different. This diversity reflects the varied economic and legal philosophies of those countries.

In view of the extraterritorial reach of the U.S. antitrust laws, you should review with your business's legal counsel any actions or agreements that would raise antitrust issues if they took place in the U.S. You should also consult with your business's legal counsel about the requirements of other competition laws that may affect your business's international business activities.

## **5. AVOIDING CONFLICTS OF INTEREST**

DUS recognizes and respects the right of representatives and their employees to take part in financial, business and other activities outside their representation of DUS. However, those activities must be lawful and free of conflicts with their responsibilities as DUS representatives. Representatives must not misuse DUS resources, or influence or discredit DUS's good name and reputation.

## **6. MONEY LAUNDERING PREVENTION**

More than 100 countries have laws against money laundering which prohibit the acceptance or processing of the proceeds of criminal activities. DUS is committed to complying fully with all applicable money laundering laws throughout the world. DUS will conduct business only with reputable customers who are involved in legitimate business activities and whose funds are derived from legitimate sources. DUS also expects its business partners to implement a "Customer Information" procedure and to take reasonable steps to ensure that they do not accept forms of payment that have been identified as means of laundering money.

#### **REQUIREMENTS:**

- Comply with all applicable laws that prohibit money laundering and that require the reporting of cash or other suspicious transactions. Understand how both types of laws apply to your business.
- Follow your business's "Customer Information" procedure to obtain enough information and documentation about prospective customers, joint venture partners, and affiliates and to ensure that they are involved in legitimate business activities and that their funds come from legitimate sources.
- Learn how to identify the types of payments that have become associated with money laundering activity (for example, multiple money orders or travelers checks, large amounts of cash, or checks on behalf of a customer from an unknown third party) and follow the rules that restrict or prohibit acceptance of them.
- If you encounter a warning sign, raise your concern with company legal counsel and be sure to resolve your concern promptly before proceeding further with the transaction.

**Red Flags to Watch out for:**

- A customer, agent or proposed joint venture partner who is reluctant to provide complete information, provides insufficient, false or suspicious information, or is anxious to avoid reporting or record-keeping requirements
- Payments by use of monetary instruments that are not consistent with the business activities of the client, appear to have no identifiable link to the customer, or have been identified as money laundering mechanisms
- Requests by a customer, agent or proposed joint venture partner to pay in cash
- Early repayment of a loan in cash or cash equivalents
- Orders or purchases that are unusual or inconsistent with the customer's trade or business
- Unusually complex deal structures, payment patterns that reflect no real business purpose, or unusually favorable payment terms
- Unusual fund transfers to or from foreign countries unrelated to the transaction
- Transactions involving locations that have been identified as tax havens or areas of known money laundering activity
- Structuring of transactions to evade record-keeping or reporting requirements (for example, multiple transactions below the reportable threshold amounts)
- Wire transfer activity that is not consistent with the business activities of the customer or that originates or terminates with unrelated parties to the transaction
- Requests to transfer money or return deposits to a third party or to an unknown or unrecognized account



**CERTIFICATION AND AGREEMENT TO THE DRESSER UTILITY SOLUTIONS  
INTEGRITY POLICY**

On behalf of **Company Name**, I hereby certify that I have received and reviewed the Dresser Utility Solutions Integrity Policy Summary and that **Company Name** will abide by the principles contained therein.

Additionally, I certify that **Company Name** will not offer or make any payment of money or anything of value to a foreign official, political party or candidate for office for the purpose of obtaining, maintaining or directing business.

By signing this certification, as an agent of **Company Name**, I agree that I and **Company Name** will abide by the above-named policy. A facsimile or electronic copy of this document shall be considered as valid as an original.

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**Signature**

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**Name**

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**Title**

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**Company**

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**Date**