



FCPA
(Foreign Corrupt Practices Act)
Anti Corruption Policy

DISTRIBUTION

Refer to Distribution and Acknowledgement Form

Date	Rev	Description of Change
03/25/2013	-	Original
11/17/2015	A	Para 3.3 change Facilities payment limit from USD 100 to USD 500; add pages 5, 6 FAQs

APPROVALS

DEPT.	BY	DATE	DEPT.	BY	DATE

BY: Carl Fritz DATE: 03/25/2013	TITLE: FCPA (Foreign Corrupt Practices Act) Anti Corruption Policy	PAGE 1	OF 6
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FCPA (Foreign Corrupt Practices Act) Anti Corruption Policy

1.0 PURPOSE

The purpose of this policy is to define and insure compliance with the U.S. Foreign Corrupt Practices Act ("FCPA") and related acts of other countries.

The FCPA is a criminal statute that prohibits U.S. companies or their employees, agents, or representatives from giving, paying, promising, offering, or authorizing the payment, directly or indirectly through a third party, of anything of value to any **foreign official** to persuade or influence that official to help the Company, or any other person, obtain or keep business. This Act applies to all U.S. companies as well as non-U.S. companies and employees.

2.0 DEFINITIONS

The FCPA defines "foreign official" to include:

- 2.1 any officer or employee of a foreign government or any department, agency, or instrumentality thereof;
- 2.2 any officer or employee of a public international organization (e.g., the International Monetary Fund, the World Bank, or the European Union);
- 2.3 any officer or employee of a state-owned or controlled enterprise;
- 2.4 any person acting in an official capacity for or on behalf of any foreign government or any department, agency or instrumentality thereof, or any public international organization; and
- 2.5 any political party and official thereof or candidate for political office.

3.0 POLICY

- 3.1 Under no circumstances shall an employee, agent, or representative of the Company give, pay, or offer or promise to pay, or authorize the giving or payment of anything of value to any foreign official, or to any person while knowing or being aware of a high probability that the payment or promise to pay will be passed on to a foreign official. Under no circumstances shall an employee,

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agent, or representative of the Company make, offer, promise, or authorize any payment or gift in violation of local law.

- 3.2 Small sums for customary meals (e.g. lunch, dinner) of modest value are acceptable if done on a reciprocal basis or not provided to the same individual or individuals routinely over time. Frequent low-value lunches/dinners for the same individual or individuals could be construed as an effort to befriend and/or influence decisions. Typically, spouses and other family members should not be included in such meals.
- 3.3 The foregoing shall not apply to minor facilitating payments made to expedite routine approvals, such as obtaining business permits, processing visas, etc. All such payments are normally less than US\$500. Larger payments should be approved by the Corporate Legal Department.
- 3.4 All transactions involving Company funds or assets must be recorded in reasonable detail and accurately and completely reflect the transactions and asset dispositions of the Company regardless of the country the transaction takes place.
- 3.5 Direct or indirect participation in any such "improper transaction" or deviation from established Company accounting practices, including omitted or falsified expense reports, is strictly prohibited and may result in disciplinary action, termination, or civil or criminal prosecution.
- 3.6 Other countries have enacted similar laws which must be followed if applicable. The Company is subject to United Kingdom's Bribery Act which was implemented in 2011; it covers all Vishay Companies and employees and is similar to the FCPA.
- 3.7 Questions or concerns regarding any payment, gift, or transaction should be directed to Carl Fritz, International Trade Compliance Officer ("ITCO") (telephone: (800) 669-5256 or email: Carl.Fritz@Vishay.com) or the Vishay Corporate Legal Department (law.department@Vishay.com).

4.0 ENFORCEMENT AND DISCIPLINE

- 4.1 Sanctions for FCPA violations, or even a mere indictment for a potential violation, are severe and potentially devastating to the Company and to the individuals involved. Individual officers and employees of companies may be prosecuted even if the company for which they work is not. Fines assessed against individuals may not be reimbursed by the company.

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Statutory criminal penalties for individuals include fines up to US\$100,000 per violation or imprisonment up to five years, or both.

- **Violation of Anti-Bribery provisions by an individual –**
 - Up to \$250,000 in fines and/or five years in prison.
- **Violation of Books and Records and Internal Control provisions by an individual –**
 - Up to twenty years in prison and fine of up to \$5.0 million.

- 4.2** Any employee who is aware of another employee’s violation of such laws, policies or procedures, and does not report that violation, will also be subject to appropriate disciplinary action.
- 4.3** Employees who are aware of a possible violation of the FCPA should report them to line management and to Carl Fritz, International Trade Compliance Officer (“ITCO”) (telephone: (800) 669-5256 or email: Carl.Fritz@Vishay.com) or the Vishay Corporate Legal Department (law.department@Vishay.com).

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It is the policy of Vishay Intertechnology, Inc. that no payment or arrangement of any kind shall be made by any employee or representative which is illegal under United States law or the law of any country affected by such payment or arrangement. In addition, no payment or arrangement shall be made which, although technically legal, could be embarrassing to the Company. This applies to direct and indirect payments such as commissions, fees or other payments to any attorney, salesman, agent, consultant or other person or entity when any part or the payment is to be used to pay a bribe, or kickback or any other illegal or unethical fee.

Please also refer to the Vishay Ethics Code of Business Conduct which can be found at <http://www.vishay.com/ir-documents/codeofbusiness.pdf>

If in doubt or you have a question, please ask the Vishay Corporate Legal Department (law.department@Vishay.com).

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QUESTIONS

1. What is a gift?

A gift is anything of value, usually items of less than 50 USD as well as company logo promotional items: pens, key chains, and mugs are excluded from concern. This does not mean we could give the same customer a dozen Titleist Pro V Vishay logo golf balls every week so he/she is supplied all season. Business dinners are excluded as gifts if for business, not repetitive to same party, not of excessive value, and not intended to influence a favorable business decision by the recipient but rather just a business courtesy. Vishay has hosted dinners with US Government personnel and they insisted we go to a reasonable cost place and insisted on two separate checks or split the bill proportionally right there at payment in front of all attendees—very clean. It is generally better not to give or receive gifts because our integrity is worth more than a small gift and worth more than a large gift. But of course reasonable cost business dinners are a normal business courtesy and are not an issue. It's the excess that raises a concern—expensive company paid dinners after the company paid hard-to-get-tickets-for-soccer game. A dinner costing two hundred dollars per person seems excessive.

Examples:

a) Company logo pen	Acceptable
b) Company logo key chain	Acceptable
c) Company paid weekend trip to Italy	Unacceptable
d) Business dinner for four people (2 company, 2 customer) total cost 450 USD	Acceptable
e) Business dinner for six people (1 company, 5 customer) total cost 1,200 USD	Unacceptable <i>Appearance is important, in this case it appears company person is courting favor with customer people</i>
f) Five customer people and 2 company people go to horse racing track followed by dinner at company cost	Unacceptable <i>The appearance is company is attempting to influence customer's personnel</i>
g) Company person takes same customer person or persons to expensive dinner (cost 150 USD per person) every other month	Unacceptable <i>It appears company person is trying to win customer's favor over time through expensive dinner</i>
h) Two company people take two Foreign Government people to expensive dinner (150 USD per person)	Unacceptable <i>It appears company persons are trying to influence government person, FCPA violation</i>
i) Company person gifts wine to customer	Unacceptable <i>If low cost wine, it is not worth the perception that company person is trying to influence customer person. If expensive wine/case(s) of wine then clearly company person is trying to influence customer—so in either case this is unacceptable</i>

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2. What is a Facilitating Payment?

Facilitating Payments – Well you have identified the soft spot in this FCPA subject, soft because it is not black and white, it can be a little gray. We have included the section on Facilitating Payments because by US law such payments are allowed under certain conditions. We have also stated in this training module that Vishay policy does not allow Facilitating Payments. Why the contradiction, because we wanted to state the legal position and the Vishay policy position. There could be reasons that would allow Vishay to permit facilitating payments under certain circumstances, so we didn't want to state these payments are absolutely, always illegal. We certainly do not believe such payments should be routine, rather the rare exception, specially approved, and must be recorded as Facilitating Payments. Some more details:

1. The intent of these Facilitating Payments is to cover fees which are usual and normal in some countries for activities such as: connecting utilities (water, gas, electric, telephones) by employees of perhaps government owned or regulated services, or obtaining a Visa. In these cases, Facilitating Payments may be permitted if normal and customary, should always be approved by the Vishay Legal Department, should be one-time events, not routine recurring payments, most likely will be significantly less than 500 USD and must be accurately recorded as a Facilitating Payment.
2. The UK Anti-bribery Law does not allow Facilitating Payments.
3. Vishay Policy does not allow Facilitating Payments – however if an employee is presented a situation whereby a Facilitating Payment is customary and normal and is expected, Vishay may pay it. The important point is to:
 - a) have the payment approved by Vishay Legal
 - b) properly record the payment as a Facilitating Payment. The worst thing we can do is to try to hide/mask/re-categorize the payment. Even if incorrectly made we need to be transparent. Honest mistakes can happen, cover-up is never correct.
4. One thought is, what is the purpose of payment? Is it to facilitate the installation of a service – might be OK. Is it to avoid an inspection, duty, tax – not OK. We should carefully avoid anything to do with special payments in the area of Customs/Import/Export. This is of course a highly suspect and monitored area.

Because this is a gray area that has been abused in the past, it is best to avoid facilitating payments if at all possible. But never say never, because you never know what may arise. Still Facilitating Payments are not permitted by Vishay Policy, so there must be a really good reason to make an exception.

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