



**X-Rite and Pantone Anti-Corruption and  
Compliance Training for Third Parties**

**English  
Version 2**

## **X-RITE AND PANTONE Anti-Corruption and Compliance Training for Third Parties**

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### **Distributors, Resellers, & Sales Representatives**

#### **Message of Compliance**

As a Danaher company, we strive to achieve a high level of integrity in our business, and we require that our sales channels do the same. Integrity and compliance with laws are important drivers of business success. By knowing and following the laws in all countries where we do business, we build strong reputations and ensure that our business is not interrupted by regulatory or legal complications.

We expect you to “Speak Up!” if you become aware of any violation of law, regulation or our Standards of Conduct in relation to X-RITE AND PANTONE business. Our Integrity & Compliance Program Helpline portal is available ([www.danaherintegrity.com](http://www.danaherintegrity.com)) for our business partners worldwide to report violations online or by phone (toll free). We ask that you download and read our Standards of Conduct. Please consult the site below for our Standards of Conduct:

<http://www.danaher.com/our-culture/integrity-and-compliance>

#### **Training and Topics Covered**

Periodic training can help to reinforce the important message of compliance. By being aware of potential risks and knowing how to avoid them, we all benefit.

These updated training materials reinforce the importance of anti-corruption compliance, as well as address some other important compliance topics. The materials are meant to provide simple, straight-forward guidance on the following topics:

- (1) Anti-Corruption and prohibition of bribery or improper payments;
- (2) Prohibition of selling to embargoed countries and prohibited individuals/entities;

- (3) Reminder on X-RITE AND PANTONE Fluids and Drug Precursor Rules;
- (4) Reminder to monitor for rules and regulations applicable to the import of our products
- (5) Other reminders (use of sub-distributors, changes to your business, and our communications to you)

We thank you for taking the time to review these materials and look forward to discussing with you further.

X-RITE AND PANTONE

## **Anti-Corruption and Prohibition on Bribery**

There are many laws in the U.S. and around the world that prohibit bribery. The X-RITE AND PANTONE Anti-Corruption Policy makes it simple. Bribery is not allowed at any time.

- You are prohibited from offering anything of value, or promising to offer something of value (even if you do not actually provide it) to anyone in order to obtain an improper business advantage. This would be a bribe.
- Bribery includes more than just money. It includes any “payments, gifts, and things of value.” Any offer that is designed to influence someone to obtain an unfair advantage is prohibited. This includes offers of: cash payments, goods, services, favors, tickets to entertainment, loans, charitable contributions, political contributions, special discounts, hotel rooms, job offers, offers to family members, gifts (no matter how small), and anything that has value to the recipient or to people the recipient cares about (like family, friends and business associates).
- This rule against bribery or improper payments applies to government officials or private parties/private companies.
- “Indirect” bribery of any sort is also prohibited. In other words, someone else cannot make a payment on your behalf.

X-RITE AND PANTONE sellers (whether Distributors, Resellers, Sales Representatives or Agents) suspected of engaging in improper payments or bribery will face severe consequences from X-RITE AND PANTONE, including immediate termination, and could face criminal prosecution and other civil and criminal penalties.

### **Simple Examples**

- Your sales person cannot offer to provide tickets to a sporting event in order to win a business deal.
- Your employee cannot give a gift to a government official to try to win a public contract or to receive preferential treatment for import licenses.
- You cannot agree to pay an end user 10% of the purchase price in order for the end user to buy equipment from you (“kickback”).

## Legitimate Gifts/Expenses

Gift giving is not encouraged. We want our Distributors, resellers and sales agents to compete based on their Sales and Service experience and our X-RITE AND PANTONE Products.

However, if allowed by local law and your own company policies, small gifts (for instance, company logo items) or reasonable entertainment that is not designed to influence any business transaction may be allowed to non-government customers only.

Small gifts (such as a company logo item) or entertainment (such as a modest business lunch) that is not designed to influence a transaction may be allowed if:

- The gift/entertainment is of nominal value;
- The gift/entertainment is customary in your trade or industry;
- The gift/entertainment is legal under local laws; and
- The gift/entertainment is given and accepted without any express or implied understanding that the recipient is in any way obligated.

**Please remember:** What may seem like a gift to one person could be believed to be a bribe by someone else. If there is any doubt, no gift should be given.

## **What do I do if I think I am being asked to make an improper payment?**

If you are unsure about whether you are being asked to make an improper payment, you should **not** make the payment. Instead, you should:

- Be Polite but Firm: Explain that company policy does not allow the payment.
- Explain you will get into trouble and lose your job immediately.
- State that your company policy requires all payments/fees to be itemized and recorded explaining all payment details, including the name and any other identifying details where payments are made.
- Be ready to reject alternative solutions made by the requestor, such as paying funds in a different manner (such as a vague charge on an invoice or payment to a third party). Politely and firmly reject any of these alternatives.

*When you are faced with a close call, we invite you to speak with your X-RITE AND PANTONE contacts. Where necessary, they will direct your questions to the legal team at X-RITE AND PANTONE.*

## **Import and Export Rules: Prohibition on Shipments to Embargoed Countries & Restricted Individuals**

This guidance is issued to explain the export controls and sanctions that X-RITE AND PANTONE is required to follow and is mandatory for you to follow. Failure to follow these rules could subject your business to civil and criminal penalties and immediate termination. Please make sure all of your sales, shipping or relevant employees are aware of these restrictions.

X-RITE AND PANTONE and related X-RITE AND PANTONE companies are part of Danaher Corporation, a U.S. Company. X-RITE AND PANTONE companies are required to comply with a number of U.S. regulations which control the transfer, export, re-export or disposal of any product or technical data.

### **Country Restrictions**

X-RITE AND PANTONE is restricted from selling to anyone when it knows, should know, or suspects the goods will be shipped to any of the following countries:

- Cuba
- Iran
- North Korea
- Sudan
- Syria

The embargo is in place for all market segments in these countries. (Even if there were certain legitimate exceptions for sales in certain countries, a license and approval is required from the U.S. government.)

### **Individual/Customer Restrictions**

Many countries, including the United States, also have rules in place prohibiting sales to certain prohibited or sanctioned individuals or companies (regardless of what country they may be in). You must make sure you comply with the relevant rules in your country, as well as, at a minimum the United States and European Union sanction lists. Links are available below.

US – consolidated list <a href="http://export.gov/ecr/eg_main_023148.asp">http://export.gov/ecr/eg_main_023148.asp</a>	EU – consolidated list <a href="http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm">http://eeas.europa.eu/cfsp/sanctions/consol-list_en.htm</a>
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## **Recommended Practices for Sellers to Protect Against Re-Export or Improper Resales**

You must have procedures in place to ensure that entities you sell to do not sell X-RITE AND PANTONE products to embargoed countries (“re-export” of goods to embargoed countries).

You should have a standard process in place to ask, before accepting an order, the country of ultimate destination for the product. If the country is an embargoed country, you should not make the sale. You should also screen your customer names against the sanction lists on the previous page.

In addition, you should be on the look out for “red flags” – in other words, situations where circumstances suggest that the sale may be to an embargoed country or prohibited company or individual. If you encounter “red flags” and cannot obtain comfort that the sale is not destined for an embargoed country, you should **decline** the order. “Red flags” include:

- The customer or purchasing agent is reluctant to offer information about the end-use or ultimate destination of the item.
- The product’s capabilities do not fit the buyer’s line of business or the country to where the product will be shipped.
- The item ordered is incompatible with the technical level of the country to which it is being shipped.
- The customer is willing to pay cash for a very expensive item when the terms of sale would normally call for financing.
- The customer has little or no business background.
- The customer is unfamiliar with the product’s performance characteristics but still wants the product.
- Routine installation, training, or maintenance services are declined by the customer.
- Delivery dates are vague, or deliveries are planned for out of the way destinations.
- A freight forwarding firm is listed as the product’s final destination.
- The shipping route is abnormal for the product and destination.
- When questioned, the buyer is evasive and especially unclear about whether the purchased product is for domestic use, for export, or for re-export.



## **Product Rules and Regulations Approvals, Certifications, Registration and Labelling**

Many countries have rules and regulations concerning the safety, efficiency, environmental impact and electromagnetic interference of products sold in these countries. These requirements can change frequently and customs authorities can detain or seize non-compliant product even if you are unaware of the rule or regulation.

Product requirements can include:

- **Advanced approval:** A requirement that a product be tested by a government agency or authorized testing agency to ensure conformity to a defined standard or label requirement.
- **Certification:** A requirement that an imported product be accompanied by a certification that the product meets defined standards.
- **Registration:** Some countries require a local entity to be registered with the government before certain products may be imported.
- **Labelling:** Some countries have special labelling requirements that may include special marks or country of origin. The label may also be required to be in a particular language or languages.

**We recommend that you frequently monitor for product rules and regulations to understand the requirement before you place an order to avoid your customs authority detaining or seizing imported product.**

### **What to do?**

1. Make sure you understand the current requirements for your country for the products you import. We recommend the following general sources of information that may assist you in understanding requirements applicable to the products you import:
  - Local trade organizations or Chambers of Commerce
  - Your customs broker or attorney
  - World Trade Organization Technical Barrier to Trade Information Management System. Choose your country under ‘notifying member’ and sort results by ‘date of distribution’.

<http://tbtims.wto.org/web/pages/search/notification/BasicSearch.aspx>

2. Monitor for changes in rules and regulations
3. Please advise your X-RITE AND PANTONE contact if you identify a rule or regulation applicable to X-RITE AND PANTONE products for which you need X-RITE AND PANTONE's assistance to comply with the requirement. Please include a copy of the rule or regulation when contacting your X-RITE AND PANTONE contact. X-RITE AND PANTONE will review the requirement and provide assistance to the extent possible. Please note that rules or regulations not accounted for by a product's current compliance status may require additional cost to bring the product into compliance.

## **Sub-Distributors, Dealers, Agents or Resellers**

Our agreement with you restricts your ability to appoint sub-distributors, dealers, agents or resellers without our written consent. Please talk to your X-RITE AND PANTONE contact if you are considering using a third party to sell or service our products. Please provide your X-RITE AND PANTONE contact with the name, address and owner(s) of the third party you are considering using.

## **Changes to Company Name, Ownership, Address, Banking Information & Tax/VAT numbers**

We kindly ask that you promptly notify your X-RITE AND PANTONE contact of any changes to company name, ownership, address, banking information or tax/VAT identification numbers. This information is used to update our business systems and our compliance records.

## **Our Emails Communications to You**

Our associates will communicate with you only through an official X-RITE AND PANTONE email address ending in 'xrite.com or pantone.com'. Associates should not be communicating to you through their personal email address. If you receive an email purporting to be from a X-RITE AND PANTONE associate from an unofficial email address, please call the associate or your X-RITE AND PANTONE contact to confirm the contents of the email message.