
		Foreign Corrupt Practices Act Policy August 12, 2020	Approved By: 
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I. PURPOSE

To provide guidelines to all officers, directors, employees, consultants and agents that are employed by the Company to ensure compliance with the Foreign Corrupt Practices Act of the United States and all similar laws in each country where the Company operates.

II. SCOPE

This Policy applies to all officers, directors, employees, consultants and agents that are employed by the Company, and is approved by the Audit Committee.

III. POLICY

It is the policy of the Company to comply with the Foreign Corrupt Practices Act of the United States (“FCPA”) and all similar laws in each country where the Company operates. All managers shall be responsible for the enforcement of and compliance with this Policy, including the necessary distribution of the Policy to ensure employee knowledge and compliance.


1. ANTI-BRIBERY PROVISIONS OF THE FCPA

No employee, officer, director, agent or stockholder of the Company shall make an offer, payment or gift of any money or other item of value, directly or indirectly, to a Foreign Official for the “corrupt” purpose of obtaining or retaining business for the Company or for the purpose of directing business to any other person. **Importantly, there is no minimum value for a violation to occur.**

2. DEFINITION OF FOREIGN OFFICIAL

A “Foreign Official” should be interpreted broadly and includes:

- (1) an employee of a foreign government or any department, agency, or instrumentality of a foreign government;
- (2) an employee of a foreign state-owned or controlled entity, including but not limited to, in many countries, telecom, health care, and educational institutions’ employees;
- (3) an employee of a public international organization, such as the Red Cross, International Monetary Fund or World Bank;

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- (4) any person acting in an official capacity for or on behalf of such governmental bodies or public organizations, including entities hired to review and accept bids for a government agency;
- (5) a foreign political party (i.e. an organization that is trying to obtain, or has obtained, political power) or official thereof;
- (6) royal family members engaged in government functions; or
- (7) a candidate for foreign political office.

Foreign officials include all paid, full-time employees of a government department or agency (whether in the executive, legislative or judicial branches of government and whether at the national, provincial, state or local level). Foreign Officials can also include part-time workers, unpaid workers, individuals who do not have an office in a government facility, and anyone acting under a delegation of authority from the government to carry out government responsibilities. They also include officers and employees of companies or entities which have government ownership or control, such as state-owned enterprises and government-controlled universities and hospitals. Any questions about an individual's potential government status should be raised with the CFO of the Company.


The term "corrupt" is construed to prohibit any activity, including: the provision of excessive meals, lodging or entertainment, business promotional activities, covering or reimbursing expenses of foreign officials, in-kind or political contributions, investment opportunities, subcontracts, stock options, and similar items provided to Foreign Officials which is meant to influence the recipient and which is done for the stated illegal purposes. This prohibition includes payments, gifts, etc., made to influence the decision of such person or to influence the person to fail to perform his or her official functions or to use the person's or party's influence with a foreign government or instrumentality in order to affect or to influence any act or decision of such government or instrumentality.

Section 9 of this Policy describes potential penalties for violations of the FCPA's Anti-Bribery Provisions.

3. FACILITATING PAYMENTS

In certain countries it is customary to make facilitating payments to ensure that government employees take routine administrative actions that the Company is lawfully entitled to pursue. Such "routine governmental actions" are those ordinarily performed by a foreign official in:

- (1) obtaining permits, licenses, or other official documents to qualify a person to do business in a foreign country;

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- (2) processing governmental papers, such as visas and work orders;
- (3) providing police protection, mail pick-up and delivery, or scheduling inspections associated with contract performance or inspections related to transit of goods across country;
- (4) providing phone service, power and water supply, loading and unloading cargo, or protecting perishable products or commodities from deterioration; or
- (5) actions of a similar nature.

Although such payments may be permitted under the FCPA, they are not permitted in all countries. For example, facilitating payments are illegal under United Kingdom law and in the People's Republic of China. As a result, the Company **strictly prohibits** facilitating payments of any kind without the express written approval of the Chief Financial Officer of the Company.


Such facilitating payments are permitted, provided that: (i) such facilitating payment is nominal in amount, on both an individual and aggregate basis; (ii) no such payment is incorrectly or falsely entered in or omitted from the Company's books and records (facilitating payments should be recorded as such in the general ledger); and (iii) no such payment is made to obtain business or gain an unfair advantage over competitors.

If you have any doubt whether a payment falls within this exception, contact the Chief Financial Officer.

4. GIFTS AND ENTERTAINMENT

As with facilitating payments, in certain countries it is customary to provide gifts or entertainment to government employees that have a business relationship with the Company. Although such gifts and entertainment may be permitted under the FCPA if they are not given with the "corrupt" purpose of gaining or receiving an illegal business advantage, they are not permitted in all countries, and even the *appearance* of impropriety is against the Company's policy. It is, therefore, the Company's policy that all payments must be approved by the Chief Financial Officer of the Company and meet the requirements set forth below.

Gifts of substantial value to or lavish entertainment of foreign officials are prohibited, because they can be construed as attempts to influence government decisions in matters affecting the Company's operations. However, gifts and entertainment that are not given to obtain or retain business or gain an improper advantage and are lawful under the written laws of the country where the gift or entertainment is being given may be provided so long as they are not in the form of cash and meet the following requirements.

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No gift or entertainment with a value of more than \$250USD may be given by a company employee or third party working on behalf of the company to a foreign official without prior review and written approval by the Chief Financial Officer. For a gift or entertainment with a value of \$250USD or less, prior written approval needs to be obtained only from the employee's organizational Vice President. For the company's promotional or advertising items with a value of less than \$50USD per person, such as pens or coffee mugs, no approval is necessary. The number of items given, however, must be reasonable and the gift must otherwise abide by the above-described requirements. Total gifts by employees to a Foreign Official should never exceed \$400USD per year.

5. REASONABLE BUSINESS EXPENSES.

It may be necessary to pay certain expenses of foreign officials associated with a business transaction. Examples include, but are not limited to, the costs of travel and lodging in connection with (i) the promotion, demonstration, or explanation of the company's products or services, (ii) the execution or performance of a contract with a foreign government, (iii) the inspection of the Company's facilities, or (iv) the costs to perform special tests on the Company's products. The payment of such expenses is permitted provided that: (i) the expenses are bona fide and related to a legitimate business purpose (i.e. not provided to obtain or retain business or to gain an improper advantage); (ii) the expense is reasonable; (iii) the payment is pre-approved in writing by the Company's Chief Financial Officer; (iv) the expense is legal under the written laws of the foreign official's home country; and (v) no such payment is incorrectly or falsely entered on or omitted from the Company's books and records.

6. THIRD-PARTY LIABILITY

The FCPA establishes liability for payments made indirectly to an official as well as payments made directly. The Company and individual directors, officers or employees may be liable for a payment made by a third party, such as a joint venture partner, agent, or consultant, if the Company makes a payment or transfers other value to that third party "knowing" that it will be given to a government official. Under the FCPA, firm belief that the third party will pass through all or part of the value received from the Company to a government official, or an awareness of facts that create a "high probability" of such a pass-through, also constitute knowledge under this law. As such, third parties must be investigated prior to their engagement with the company to ensure their commitment to FCPA compliance (often referred to as conducting due diligence).

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Company personnel should be particularly alert to any red flags that may be encountered during due diligence or in transactions with third parties. Red flags can arise with any third parties involved with the Company's foreign business operations, but arise more frequently in dealings with joint venture partners and foreign agents (such as promoters, sales agents or consultants). Red flags can also arise at any stage of a transaction -- during due diligence, during contract negotiations, in the course of operations, or at termination. Thus, the significance of red flags must be considered in context rather than in isolation. All red flags must immediately be investigated and appropriately addressed. If you become aware of facts that may be red flags but are not sure how to respond to them, you should immediately contact the Chief Financial Officer.


All third parties will be required to sign an FCPA compliance certificate indicating their understanding of the law and the Company's policy.

All contracts with foreign agents must contain appropriate provisions requiring the agent to comply with the FCPA.

7. BOOKS AND RECORDS PROVISIONS

All records must truly reflect the transactions they record. All assets and liabilities shall be recorded in the Company's regular books of account. No undisclosed or unrecorded fund or asset shall be established for any purpose. No false or artificial entries shall be made in the Company's books and records for any reason. No payment shall be approved or made directly or indirectly to anyone, including (i) a foreign official, (ii) a foreign political party, (iii) a party official, (iv) a candidate for foreign political office or (v) a quasi-governmental business entity, with the intention or understanding that any part of that payment is to be used for any purpose in violation of the FCPA or for any purpose other than that described by the document supporting the payment. Company personnel should refrain from using personal email accounts, text messaging, or ephemeral messaging platforms that undermine the Company's ability to appropriately retain business records or communications or otherwise comply with the Company's document retention policy or legal obligations. Company recommends that Company Personnel utilize Company's email instead of private emails or texting when communicating with other Company Personnel or outside Parties on Company business.

All records relating to FCPA compliance matters shall be maintained for a minimum of five years, and diligent efforts should be used to maintain original documents. Company personnel should never accede to requests for false invoices or for payment of expenses that are unusual, excessive, inadequately described, or otherwise raise questions under this Compliance Program. Consult the Chief Financial Officer if you have any questions or concerns regarding these requirements.

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8. POLITICAL CONTRIBUTIONS

No political contribution shall be made, directly or indirectly, with the Company's funds or assets, regardless of whether the contribution is legal under the laws of the country in which it is made.



9. PENALTIES

Criminal penalties for violations of the FCPA's antibribery provisions can be quite severe. Corporations and other business entities are subject to a fine of up to \$2,000,000 per violation. Officers, directors, stockholders, employees, and agents are subject to a fine of up to \$100,000 per violation and imprisonment for up to five years. Under federal criminal laws other than the FCPA, individuals may be fined up to \$250,000 or up to twice the amount of the gross gain or loss if the defendant derives economic gain from the offense or causes economic loss to another person. Moreover, the Attorney General or the SEC may bring a civil action for a fine of up to \$10,000 per violation against any "issuer" as well as any officer, director, employee, or agent of a firm, or stockholder acting on behalf of the issuer, who violates the antibribery provisions.

The books and records provisions provide for penalties similar to those levied for most securities law violations, such as civil injunctive action or monetary penalties. Penalties for issuers typically range between \$50,000 and \$500,000. Penalties for willful violations are more severe. Individuals who willfully violate the accounting provisions face fines of up to \$5,000,000 per violation, imprisonment of up to 20 years, or both. Issuers that willfully violate the accounting provisions face fines up to \$25,000,000 per violation.

An employee may be convicted of the Act even if the Company is not convicted. Furthermore, the Act **prohibits** the Company from paying or indemnifying the employee's fine. This means that if a Company employee is found to have violated the Act, he or she will be personally liable for any fines or penalties that are imposed.

Pursuant to international agreements, the U.S. Government has the ability to prosecute individuals all over the world for violations of the Act and can hold a U.S. entity liable for actions of its foreign subsidiaries, even if the U.S. entity did not know or approve of the actions. Therefore, all of the Company's worldwide employees and companies are prohibited from bribing or offering to bribe Foreign Officials. Even if a particular act cannot be prosecuted by the U.S. Government under the Act, it will likely violate other U.S. or non-U.S. laws.

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10. ADDITIONAL ENFORCEMENT RISKS

Although this Policy focuses on compliance with the FCPA, the FCPA is not the only potentially relevant law. Transnational and local bribery laws also often will apply. U.S. laws other than the FCPA, including state, local, and municipal laws, such as mail and wire fraud laws, may also apply to the Company and its employees. In particular, commercial bribery has increasingly been a focus of both U.S. and foreign enforcement authorities, resulting in fines for companies and incarceration for individuals. Moreover, bribery is **always** a violation of Company policy.

11. REPORTING OF VIOLATIONS

Any employee or third party acting on behalf of Intevac who learns of or suspects a violation of this Policy **must immediately** report the matter to the Chief Financial Officer. If for any reason the individual wishes to report his or her concerns anonymously, he or she may access the Company's Compliance Hotline at 1-800-826-6762.

Anonymous reports should be factual instead of speculative or conclusory, and should contain as much specific information as possible to allow the persons investigating the report to adequately assess the nature, extent and urgency of the investigation.

The Company will not permit retaliation of any kind against anyone who makes a report or complaint in good faith with a reasonable basis for believing that a violation of this Policy or other illegal, unethical or inappropriate conduct has occurred.

Nothing in this policy should be construed to prohibit good faith reporting of perceived violations to appropriate law enforcement authorities.