

NPX Anti-Bribery and Anti-Corruption Policy

November 12th, 2021

This policy commits the NPX to conducting business ethically and with the utmost integrity in all its operations throughout the world. The policy requires compliance with all applicable laws and regulations on bribery and corruption, including, but not limited to, Korea's the Improper Solicitation and Graft Act (김영란법), the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act 2010 (UKBA), and other applicable national anti-bribery statutes and implementing rules and regulations.

The purpose of the policy is to outline and explain the prohibitions against bribery and corruption in all of NPX's operations, to highlight the specific compliance requirements relating to these prohibitions, and to reinforce our commitment to conducting business globally with the highest level of honesty and integrity. Violating applicable anti-corruption laws potentially exposes NPX, its employees and any third-party intermediaries regardless of nationality or location of residence to significant criminal and civil liability, fines and penalties.

Notwithstanding the above, the rationale for this policy is not just legal compliance: corruption is a major obstacle to poverty reduction and, by endorsing this policy, NPX reiterates its strong commitment to adhering to the relevant standards set out in the United Nations Convention Against Corruption. NPX must not authorize or tolerate any business practice that does not comply with this policy.

1. Definition of Public Officials

Although this Policy prohibits both commercial and public sector bribery, payments to or on behalf of, and the offering of business courtesies to, public officials warrant close scrutiny and must undergo advance review and approval by Compliance unless exempted pursuant to the exemptions. For purposes of this Policy, "public official" is construed broadly and includes not only elected officials of a government, but also any officer or employee of a government or any department, agency thereof, such as a government controlled company or other commercial enterprise, or of a public international organization.

"Public official" also includes any person acting in an official capacity for or on behalf of any such government or department, agency or instrumentality, or for or on behalf of any such public international organization. Examples of public officials include the following: Head of state, Ministry official. Judge or legislator, Officer or employee of a government-controlled company, including government-controlled financial, banking, healthcare and transportation institutions and utilities, Private person acting officially on behalf of a government department, agency or instrumentality, Official of a public international organization, Employee of any government agency. Political party, party official, or candidate for public office.

For purposes of the anti-bribery and anti-corruption laws, it is irrelevant whether a person is considered a public official by the government at issue.

2. Definition of Business Courtesies

Bribery is not limited to the payment of cash with corrupt intent, but also may include the provision of business courtesies or other things of value, such as gifts, hospitality or entertainment, for an improper purpose. It is never permissible to provide any business courtesy for a corrupt or improper purpose. In addition, no business courtesy may be given, directly or indirectly, to a public official except in cases that are approved by Compliance in advance, as provided below unless exempted pursuant to the exemptions.

Business courtesies could include, among other things: Gifts, Promotional items, Travel expenses, Meals, entertainment, recreation and other hospitality, Tickets to sporting, cultural or other events, Charitable donations – whether in cash or various forms of sponsorship, such as dinners or golf tournaments, Business opportunities, Discounted or free products or services, Internships, secondment or employment for public officials or their family members, Loans, Assistance with medical care

3. Restrictions on Providing Business Courtesies To Business Contacts That Are Not Public Officials

Employees may provide business courtesies to any business contact only if the following general requirements are met:

- The cost of the business courtesies must be reasonable and justifiable under the circumstances;
- The business courtesies must comply with applicable laws;
- The business courtesies must not reasonably be interpreted as an attempt to obtain or retain an improper business advantage, and must not reflect negatively on the reputation of NPX or the recipients’;
- The business courtesies must be bona fide and must directly relate to a legitimate business purpose such as: the promotion, demonstration or explanation of NPX’s services, or the execution or performance of a contractual obligation;
- The business courtesies must be supported by receipts and must be properly documented in accordance with any applicable expense reimbursement and accounting procedures.

4. Restrictions on Providing Business Courtesies To Public Officials

Employees may provide business courtesies to public officials only if all of the general requirements listed above are met and under the following additional conditions:

- The business courtesies must be pre-approved by Compliance unless exempted pursuant to the exemptions;
- The business courtesies must be given in an open and transparent manner and must not be given to induce or reward the improper performance of an official function or activity;
- The business courtesies must not involve the transfer of cash; any business courtesies involving cash equivalents, such as gift cards or gift certificates, require pre-approval by Compliance;

In the case of an actual gift, such as a holiday gift, the business courtesies must not be extravagant in value, must be provided only to reflect esteem or gratitude, and must be infrequent (no more than two times per year).

Common situations involving public officials include: Advisory Boards/Committees Invitations, Employment and Internships, Charitable Contribution and Donations, Conference and Event Sponsorships, etc. To obtain Compliance pre-approval, you must directly report to the Compliance team.

5. Exemptions from Pre-Approval Requirement for Certain Routine, Reasonable Business Courtesies Provided to Public Officials

From time to time, in the ordinary course of conducting its businesses, NPX may provide routine, reasonable business courtesies to public officials that are exempted from the pre-approval requirement described above, provided that they are directly related to a legitimate business purpose and otherwise comply with all requirements set forth in this Policy, including compliance with local laws.

The exemptions are:

- Meals and refreshments provided to attendees, participants and speakers at NPX conferences and events, provided that the costs of such meals and refreshments are reasonable given the venue (less than or equal to KRW 30,000 per person or the relevant local equivalent);

- Meals and refreshments provided incidental to meetings with public officials, regardless of venue, provided that such meals and refreshments are of nominal value (less than or equal to KRW 30,000 per person or the relevant local equivalent);

- NPX-branded items that are provided at NPX events and conferences, provided that such items are of nominal value (less than KRW 50,000 per person or the relevant local equivalent);

IF YOU HAVE ANY DOUBT ABOUT WHETHER A BUSINESS COURTESY FALLS WITHIN THESE EXEMPTIONS, CONTACT COMPLIANCE; REFER TO THE ANTI-BRIBERY RESOURCE CENTER FOR THE APPROPRIATE CONTACT.