



**PROTOLABS<sup>®</sup>**  
Manufacturing. Accelerated.<sup>®</sup>

**Proto Labs, Inc.**

**Anti-Corruption Policy**

January, 2020

## INTRODUCTION AND PURPOSE

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Doing business with integrity is a core value at Protolabs. Each of us has a responsibility to do our part to make sure our actions reflect that value in all our business dealings. Protolabs' reputation is critical to our success; therefore, we take compliance with global anti-corruption laws very seriously. As a global company, Protolabs is subject to the laws of all countries in which it operates around the world. ***This policy applies to all directors, officers, employees, and third parties acting on Protolabs' behalf.***

Protolabs must follow a variety of laws, including the U.S. Foreign Corrupt Practices Act and the UK Bribery Act among other global anti-corruption laws and initiatives. As set forth in our Code of Ethics and Business Conduct, Protolabs prohibits all forms of improper influence. This policy provides a framework to evaluate and minimize the potential for corruption in Protolabs' activities.

Corruption issues can be complex. Warning signs may suggest improper conduct or corrupt intent, and you should be familiar with these warning signs (see Appendix A). Whether a particular payment or action violates this policy often depends upon unique facts and circumstances. ***If you are uncertain whether any conduct conflicts with this policy, you must seek guidance from Protolabs' Compliance Officer, Jacob Heilman, prior to engaging in such conduct.***

It is the responsibility of each of you to familiarize yourself with this policy, and to comply with its terms and all anti-corruption laws. Failure to do so will result in appropriate disciplinary action up to and including termination of employment or other appropriate consequences for non-employees.

## POLICY STATEMENT

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It is our policy that directors, officers, employees, and third parties acting on Protolabs' behalf are not allowed to directly or indirectly promise, pay, offer, or give anything of value to government officials, employees of commercial entities or any other person in order to induce such person to use his or her influence to affect a government decision or to assist Protolabs in obtaining or retaining business. "Anything of value" is defined broadly to include anything that may be valued by the recipient including cash, goods, services, demonstration products, entertainment, travel, lodging, meals, or an award of business to a company in which the person or the person's relative has an interest. "Government official" includes any of the following: (i) an employee of a government entity; (ii) a private person acting on behalf of a government entity; (iii) an officer or employee of a company that is owned or controlled by the government; (iv) a political candidate; (v) a political party official; and (vi) an officer or employee of a public international organization.

## **FACILITATION PAYMENTS**

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Although in some countries it is common for government officials to demand facilitation or "grease" payments in order to perform routine, non-discretionary actions, Protolabs prohibits such payments.

Of course, the safety of our people always comes first. Payments made to persons where your physical health or safety is in serious jeopardy do not violate our policy. To qualify as a health and safety payment, you must face a true emergency situation – when, for example, there is immediate, grave danger to your personal safety. Once you are in a safe environment, a report must immediately be submitted to Protolabs' Compliance Officer, Jacob Heilman, so that we can take immediate actions necessary to prevent the situation from recurring.

## **HOSTING AND ENTERTAINING**

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Hosting government officials for legitimate business reasons, such as business meetings or the promotion of products may be appropriate. Hosting can refer to payments made by Protolabs for a variety of activities including travel, lodging, meals, and entertainment. Hosting expenses must not be a disguised way of presenting an improper benefit to any person in order to obtain an unfair advantage for Protolabs, or to otherwise influence the award, retention, or direction of business to Protolabs.

Before hosting or entertaining a government official, Protolabs must determine that the proposed expense is:

- Allowed under local law;
- In accordance with local business customs;
- Provided without the expectation of receiving something in return;
- Given at an appropriate time and circumstance;
- Made to the service provider or directly to the recipient's home government – cash to a government official is prohibited;
- Reasonable in value, infrequent, and not excessive in nature;
- Provided in an open and transparent manner, and is of a nature that would not embarrass Protolabs if publicly disclosed;
- Limited to only the government official and does not involve or include the relatives of the government official;
- In compliance with Protolabs Travel & Expense policy;
- Documented with appropriate receipts and accounting of as government-related expenses; and
- Properly documented in Protolabs' books and records to reflect all material elements of the transaction.

## **GIFTS**

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Because of its sensitivity, Protolabs strongly discourages gifts to government officials. In markets where gifts are customary and permitted, you may provide a gift to a government official provided that the gift is not intended to affect the outcome of a government decision or a business transaction, or give any other advantage to Protolabs. Gifts of cash and cash equivalents are strictly prohibited.

A gift to a government official is allowed only if it is:

- Legal under local law;
- Permissible under the internal policies of the recipient's organization;
- Provided without the expectation of receiving something in return;
- In accordance with local business customs;
- Modest in value;
- Deductible by Protolabs as an expense under local laws;
- Infrequent;
- Appropriate for the occasion;
- Provided in an open and transparent manner, and is of a nature that would not embarrass Protolabs if publically disclosed;
- Limited to only the government official and does not involve or include the relatives of the government official; and
- Properly documented in Protolabs' books and records to reflect all material elements of the transaction, including the recipient of the gift, the recipient's organization and position, as well as the gift and the value of the gift.

## **GOVERNMENT DONATIONS**

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Government agencies or government officials may seek Protolabs' help or support for a particular purpose. Additionally, government officials may ask Protolabs to support a purely private charitable cause. You should approach such donations with caution to ensure that they would not confer a personal benefit on the government official.

The following guidelines apply to Protolabs when considering a donation request from a government agency or government official:

- Donations must never be made as part of an exchange of favors with any government official or to obtain some benefit for Protolabs, even if the recipient is a bona fide charity.
- If a government official has promised any benefit, or issues any threat in connection with the donation request, the donation request will be denied.
- Donations of cash are prohibited.

## **CHARITABLE DONATIONS**

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Charitable donations made in Protolabs' name should be made only through company sponsored charity drives or through The Protolabs Foundation, which is Protolabs' social investment program that directs funds to initiatives and organizations that drive meaningful social, economic, and environmental progress.

## **POLITICAL CONTRIBUTIONS**

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Political contributions must not be made from Protolabs' assets. For more information see Protolabs' Code of Ethics and Business Conduct.

## **BUSINESS PARTNER DUE DILIGENCE**

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Business partners, such as contractors, consultants, subcontractors, agents, and other third parties are frequently retained by Protolabs to perform services, including interacting with government officials on Protolabs' behalf. Misconduct by any third parties creates a risk to Protolabs — and also to any Protolabs director, officer or employee who may directly or indirectly be involved in their conduct — and could lead to civil and criminal penalties, as well as reputational harm. Consequently, every current and proposed business partner that is expected to interact with a government official on Protolabs' behalf must:

- Undergo appropriate due diligence; and
- Agree to anti-corruption contract language that is acceptable to Protolabs' relevant internal legal counsel, Jacob Heilman.

You may not circumvent Protolabs' policy by using a business partner to do what Protolabs cannot lawfully do itself.

## **ACQUISITION AND JOINT VENTURE DUE DILIGENCE**

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Protolabs will conduct appropriate anti-corruption due diligence prior to and after the acquisition or joint venture formation to determine the adequacy of the entity's internal controls and the integrity of its third party relationships. As part of Protolabs' integration of an acquired entity, Protolabs will provide anti-corruption compliance training to the new employees as soon as reasonably practicable after the closing.

## **ACCURATE BOOKS AND RECORDS**

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We must ensure that Protolabs maintains and keeps books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Protolabs' assets, including all transactions covered by this policy.

Employees or any other person who conducts business on behalf of Protolabs shall not knowingly disguise, falsify or seek reimbursement for any expenditure that would violate this policy.

## **TRAINING**

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In order to ensure company-wide understanding and compliance with this Policy, all employees will be provided Anti-Corruption training. Training will vary depending on each employee's role, however employees holding positions considered to be of high risk of being exposed to corruption or improper business practices will receive annual training and acknowledge updates to this Policy.

## Appendix A

### **CORRUPTION WARNING SIGNS**

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- Third-party requests to be paid in cash for services that are typically paid by bank transfer or other non-cash means.
- Third-party requests that payments be made to another party (unrelated to the transaction), or redirected to a third-country bank account, or other unusual financial arrangements. Such an arrangement may indicate an effort to use the funds for an improper purpose or to avoid taxes.
- Third-party proposes to be paid a large contingency fee if, for example, a government contract is awarded, or a favorable regulatory outcome is achieved. This type of compensation structure can create an incentive for the third-party to make an improper payment in order to achieve a favorable result.
- Proposed third-party requests, without reasonable explanation, fees that are much greater than the market rate for comparable work. A request for unusually high compensation may indicate that part of the fee will be used for improper payments.
- Third-party refuses to certify that it will not make or facilitate an improper payment. All third parties that do business with Protolabs should be prepared to give this standard commercial assurance.
- A third-party has a reputation for paying bribes or corruption.
- Third-party requests that his or her agreement be kept secret from his or her employer.
- Third party invoice does not accurately reflect the product or service provided.
- Third-party with poor controls over disbursements, lack of transparency into activities, or weak internal controls or corporate governance.
- Third-party lacks relevant industry/technical experience or resources to carry out the services that they were hired to provide.
- A background check of the third-party or its owners uncovers an unusually close relationship to, or some degree of ownership by, a government official.
- A government official recommends that Protolabs hire a specific person or entity to act as a consultant, contractor, supplier, or partner. The official may be seeking to enrich himself or herself through kickbacks received from a favored consultant or contractor.
- A government official requests or expects extravagant, lavish or unusual travel or gifting/hosting from Protolabs.