



# Anti-bribery and Prohibited Payments Policy

## SCOPE

This policy applies globally to the employees of Cummins entities in which Cummins has a controlling ownership interest or management responsibility, including our subsidiaries, joint ventures, affiliated companies and distributors. If Cummins does not have a controlling ownership interest or management responsibility, Cummins will take reasonable steps to require compliance with this policy and the law.

This policy and all applicable laws also apply to [Third Parties](#) acting on behalf of Cummins, including contractors, suppliers, agents or brokers.

## POLICY

Cummins is a global company and must comply with the laws and regulations of all the countries where it does business including laws regarding bribery and corruption. Cummins competes on a straight commercial basis and will not act unethically or illegally to obtain or retain business anywhere in the world.

Cummins is committed to conducting business in accordance with our core values and the highest standards of ethics and integrity. This policy sets forth our prohibition against bribery.

### 1. Cummins prohibits all bribery in the course of doing business.

No employee may offer, promise, authorize or transfer any payment, gift of any kind, or [Anything of Value](#) to any person or entity for the purpose of improperly influencing the recipient to take (or refrain from taking) action that would provide a commercial advantage to Cummins or its related entities. Commercial advantages include, but are not limited to, a sale/purchase decision or a regulatory approval. This applies to individuals and entities in both the public (government) and commercial (private) sector.

Many countries where we do business prohibit facilitation payments, which are payments given to [Government Officials](#) to secure or expedite routine actions. Cummins prohibits facilitation payments unless they have been reviewed and approved in advance by the Legal or Ethics and Compliance Function.

### 2. Cummins will review transactions relating to interactions with Government Officials.

As part of doing business, Cummins often interacts with governments and Government Officials in a variety of ways. Transactions involving Government Officials are inherently risky. Whether a transaction constitutes a bribe or is ethically and legally acceptable

depends on a complex set of factors. Consequently, Cummins requires more stringent reviews and pre-approval of such transactions.

**3. Regardless of the dollar amount, all transactions involving Government Officials must be recorded and pre-approved in the [Government Pre-Approval Tool \(GPAT\)](#).**

Directions on the GPAT are [here](#).

The GPAT will route your request for approval as needed. In addition, employees who submit an expense report using the Concur system should select the appropriate "Government Official" expense type to ensure proper recording in the company's financial accounting codes.

Generally, lawful expenses with Government Officials under 50 USD will be approved. Expenses above this threshold will be reviewed by the Legal or Ethics and Compliance Functions through the GPAT. Employees will receive a system-generated email notification as to whether their expense was approved or denied.

**4. Cummins will comply with strict recordkeeping and accounting laws that apply to all transactions.**

These laws require that Cummins must:

- Keep books, records and accounts with reasonable detail to accurately and fairly reflect transactions and dispositions of assets; and
- Utilize internal accounting controls (such as management authorization of transactions) to ensure proper recordkeeping.

The Cummins Corporate Accounting Department has specified account codes titled 'Expenditures Relating to Government Officials' that must be used to record all expenditures related to Government Officials. The entries must also include reasonable detail and be fully transparent with regard to the purpose and nature of the expense.

Employees must also avoid:

- i. Entering false, misleading, or incomplete entries in the Company's books, records, and other business documents;
- ii. Omitting or not disclosing funds or assets;
- iii. Mischaracterizing payments made to a third party; and
- iv. Creating off-the-books funds or assist any third party for this purpose.

**5. Expenses related to non-Government Officials must comply with the [Conflicts of Interest Policy](#).**

**6. Third Parties acting on Cummins' behalf must comply with this policy and all applicable anti-bribery laws.**

Cummins regularly engages Third Parties such as channel partners (e.g. non-owned or controlled distributors and dealers), logistics providers, consultants, and other suppliers,

vendors, etc. to support our business objectives. Cummins can be held liable for the actions of others who act on its behalf, even if Cummins did not have direct knowledge of the Third Party's illegal action.

The Corporate Ethics and Compliance team has designed a Third Party risk management program in order to assess and manage the risks posed by Third Parties. Compliance risks are especially high when the Third Party will interact with Government Officials on behalf of Cummins. As such, you are required to contact the Ethics and Compliance Function or the Legal Function for assistance when using a Third Party to interact with Government Officials. The Ethics and Compliance or Legal Function will help you take steps to ensure:

- The Third Party is reputable and serves a legitimate business purpose;
- We conduct appropriate, risk based due diligence;
- An appropriate contract is put in place;
- The Third Party is trained or otherwise made aware of our ethical expectations; and
- Appropriate oversight measures are put in place.

Due to the high risk associated with Sales Agents, a separate policy and procedure has been developed to govern their use. Refer to [Sales Agents and Third Party Intermediaries Policy](#) for full details

#### **7. Cummins requires approval for political and charitable contributions.**

Company political contributions are governed by the [Cummins Inc. Political Contributions Policy and Political Action Committee Guidelines](#). Political contributions cannot be made without the approval of the Government Relations Function.

Charitable contributions that benefit, or could be seen as benefiting, a Government Official cannot be made without the approval of the Vice President – Corporate Responsibility and the Legal Function or Ethics and Compliance Function.

#### **8. Employees must exercise good judgement in situations where safety is at risk.**

Payments made under the following conditions generally would not violate this policy because the payment would not have corrupt intent:

- Payment is demanded under circumstances when health and safety are at risk;
- You fear physical harm or imprisonment; or
- There is no safe, alternative way to comply with the demand.

In such a situation, the individual should exercise his or her best judgment and contact the Legal Function or Ethics and Compliance Function as soon as possible to report the incident. The Legal Function and the Ethics and Compliance Function will determine any additional actions to be taken and will work with the Finance Function to ensure the payment is recorded accurately and transparently in the Company's books and records.

## CONSEQUENCE FOR POLICY VIOLATION

Individuals who violate this policy may be subject to the following consequences which may include but are not limited to:

- Disciplinary action up to and including termination
- Serious civil and criminal penalties
- Fines
- Lengthy prison terms

Company consequences may include:

- Serious civil and criminal penalties
- Fines
- Loss of future business opportunities

## CONTACT FOR MORE INFORMATION

**For questions or concerns relating to this policy or to report possible violations, employees can seek assistance by contacting:**

- [Ethics and Compliance Function](#)
- [The Cummins Legal Function](#)
- [Human Resources](#)
- Your Supervisor / Business Leader

**You can report concerns through the Ethics Help Line.**

If you are not comfortable taking your concerns to the above resources, you may report any concern to the Cummins Ethics Help Line. Go to [ethics.cummins.com](https://ethics.cummins.com) for information on how to report your concern either online or by phone in your country.

You may report your concerns anonymously where allowed by law.

**Cummins strictly forbids retaliation against employees who report concerns.**

No action will be taken against you for reporting your concerns. Refer to the [Employee Non-retaliation Policy](#) for more information.

## ASSOCIATED DOCUMENT AND RESOURCE LINKS

[Policy Translations](#)

[Conflicts of Interest Policy](#) CCP-0010

[Sales Agents and Third Party Intermediaries Policy](#) CCP-0009

[Cummins Inc. Political Contributions Policy and Political Action Committee Guidelines](#) CORP-00-06-00-00

[Charter of Accounts \(COA\) Expenditures Relating to Government Officials](#)

[Cummins Code of Business Conduct](#)



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