



MKS Instruments, Inc.

Anti-Corruption Policy and Procedures

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MKS Anti-Corruption Policy and Procedures

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I. PURPOSE

The laws of various countries prohibit bribery of both government officials and commercial third parties. These laws include the United States Foreign Corrupt Practices Act (the "FCPA"), the United Kingdom Bribery Act 2010 (the "Bribery Act") and the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the "OECD Anti-Bribery Convention") signed by numerous countries, as well as all other applicable state and local anti-corruption laws and regulations in each of the jurisdictions in which MKS does business ("Anti-Corruption Laws"). Certain of these laws also require that companies maintain accurate and complete books and records and proper internal accounting controls.

MKS Instruments, Inc. and its subsidiaries ("MKS" or the "Company") have adopted this Anti-Corruption Policy and Procedures (the "Policy") to: (a) prohibit the use of MKS funds or assets for any unlawful or improper purpose; (b) prevent improper payments to third parties by establishing procedures that assure all financial transactions undertaken by MKS are in compliance with the Anti-Corruption Laws, MKS' Code of Business Conduct and Ethics and MKS' accounting controls and procedures; and (c) alert all personnel about the requirements of the Anti-Corruption Laws.

II. SCOPE

This Policy extends to all employees of MKS and its direct and indirect subsidiaries ("MKS Personnel"), throughout MKS' global operations, including operations conducted by any subsidiaries and any joint ventures in which MKS is a participant (collectively, "MKS Operations"). This Policy also extends to all MKS Operations' financial recordkeeping activities and is integrated with the obligations to which MKS is already subject by virtue of U.S. federal and state securities laws, including the U.S. Securities and Exchange Act of 1934.

This Policy will be posted on MKS' global intranet sites upon its adoption by the Company, and all MKS Personnel will be notified as to the Policy's location on the intranet sites at the time the Policy is posted. All new MKS Personnel will be notified as to the Policy's location on the intranet sites at the start of their employment with MKS.

Revisions to this Policy may be made and communicated to MKS Personnel from time to time.

III. DEFINITIONS

A. "Government Official"

The term "Government Official," as used in this Policy, refers to any officer, employee, consultant, agent, or representative acting as, or in an official capacity for, or on behalf of:

- any government or any department, agency or instrumentality thereof,
- any public organization;
- any political party or party official;
- any candidate for political office;
- any company owned or controlled, in whole or in part, by a government; and
- any family member, spouse or domestic partner of a Government Official.

Each of the above applies to governments, other entities and persons wherever located globally.

Many universities, research laboratories and corporations are wholly or partially owned or controlled by governments, so employees of a significant number of MKS customers are considered “Government Officials” under this broad definition.

B. “Private Sector Employee”

The term “Private Sector Employee,” as used in this Policy, refers to any director, officer, employee, consultant, agent or representative acting as or on behalf of a business, company, corporation, partnership, sole proprietorship or other private organization, wherever located, and any family member, spouse or domestic partner of a Private Sector Employee.

C. “MKS Travel and Entertainment Policies”

The term “MKS Travel and Entertainment Policies” refers to the MKS Travel Policy, as well as any other reimbursement, travel or entertainment policies or procedures applicable to the MKS Personnel’s Division, subsidiary, business unit or location.

IV. POLICY REGARDING PROHIBITED AND PERMITTED PAYMENTS

MKS Personnel are prohibited from making payments to Government Officials and Private Sector Employees, except in compliance with this Policy and Anti-Corruption Laws.

A. Prohibited Payments

1. Bribes and Improper Gifts

All MKS Personnel are prohibited from paying, promising, authorizing, or offering to give, directly or indirectly (e.g., through a distributor, sales representative, customs broker, or other agent) anything of value to any Government Official or Private Sector Employee in order to influence any act or decision (including a decision **not** to act) of such individual or to induce such individual to use his or her influence to affect a government or commercial act or decision for or on behalf of MKS, or to obtain any improper advantage for or on behalf of MKS. This prohibition shall apply in all circumstances except the limited circumstances stated in Section IV.B below under *Certain Permitted Payments*.

2. Facilitation Payments

Facilitation payments (sometimes known as “grease payments”) are small payments made to foreign officials in accordance with publicly known or widely followed local custom to expedite or secure performance of routine government action that does not involve the official’s discretion, such as obtaining official documents, processing governmental papers, or providing postal or utility services. As these payments are prohibited under the Bribery Act, they are prohibited under this Policy.

3. Political Contributions

MKS funds, assets, and personnel may not be used to make any political contribution, or render assistance to any political party or candidate for political office. Examples of prohibited contributions include cash contribution to political candidates or political parties or other political organizations, using or loaning Company personnel or property for political party work or campaign activities, or guaranteeing the debt of a political party.

This does not prohibit individual political contributions or activity by MKS Personnel acting on their own behalf, on their own time and without utilizing MKS resources.

In situations where you are uncertain as to whether a payment or other benefit might constitute a bribe, a facilitation payment, a political contribution or any other prohibited payment, you should contact the Legal Department or the applicable Country or Regional Finance Director for guidance.

B. Certain Permitted Payments

1. Promotional and Marketing Expenses

In accordance with the FCPA and the Bribery Act, this Policy permits bona fide payments to or expenditures on behalf of Government Officials or Private Sector Employees in connection with the sale, promotion, demonstration or explanation of MKS products or services (for example, the demonstration of a MKS product, training regarding the operation or maintenance of a MKS product, a tour of a MKS facility or a meeting to discuss business opportunities or operations) or in connection with the execution or performance of a contract with a government or agency thereof or a private entity. These expenses may include reasonable and proportional business travel and entertainment expenditures.

a. Payment Conditions:

Payments of promotional and marketing expenses may be made only if they meet all of the following conditions:

- *Customary and Legally Permissible.* The payment must be legally permissible and customary in the country where the recipient is located.
- *Legitimate Business Purpose.* Hospitality, travel or entertainment must be for legitimate business purposes only. As such, MKS Personnel should generally be present throughout any such event.
- *Reasonable and Proportional Amount.* The amount of the expense or reimbursement must be reasonable and proportional in light of routine business travel, meals and entertainment (i.e., not lavish, excessive, frequent or inappropriate).
- *Directly Related to Product Promotion, Marketing or Explanation, or the Performance of a Contract.* The expense must be directly related to either: (a) the promotion, demonstration, or explanation of MKS products or services; or (b) the execution of a contract with a government or agency thereof or a private sector entity.
- *Accurate Documentation and Record Keeping.* MKS Personnel must carefully document and accurately describe promotional and marketing expenses in the applicable MKS books and records, identifying the amount of the expense, the purpose of the expense, any individuals benefiting from the expense and the third party with which the expense is associated. An expense report prepared in accordance with MKS Travel and Entertainment Policies serves as adequate documentation, except in cases where additional approval is required under Subsection 2.d. below.
- *Direct Purchase Preferred.* If at all possible, MKS should purchase travel and lodging through a Company-approved travel booking tool or a Company-approved travel agent, or directly from the travel providers themselves.

- *Receipts Required for Reimbursement.* To the extent MKS has agreed to reimburse expenses to a Government Official or Private Sector Employee instead of paying the expenses directly, appropriate detailed receipts documenting each expense must be provided as a condition to reimbursement.
- *Compliance with MKS Travel and Entertainment Policies.* Any payments proposed by MKS Personnel that are permitted under this Policy for promotional or marketing expenses relating to a Government Official or Private Sector Employee must also be made in compliance with MKS Travel and Entertainment Policies.

b. Prohibited Payments

- *No Advance Payment or Excessive Per Diem Allowances.* Advance payment of any expenses directly to a Government Official or Private Sector Employee and payment of "per diem" allowances in excess of those permitted to be paid to MKS Personnel (if any) are prohibited.
- *No Cash Payments.* Cash payments or payments with travelers' checks are prohibited.
- *No Spouses, Family or Friends.* Expenses may only be paid for the identified Government Official(s) or Private Sector Employee(s) who has or have the business relationship with MKS. Payment of expenses for spouses, family or friends of such person(s) is prohibited.
- *No Non-Business Side Trips.* Payment is only permitted for expenses associated directly with travel between the place of residence or employment of the Government Official or Private Sector Employee and the intended destination of the business travel. Payment of expenses associated with non-business side trips is prohibited.

c. Examples

Examples of permitted promotional and marketing expenses include:

- Expenditures for beverages and snacks at a trade show booth;
- Payment of a moderate bar tab for drinks with current or prospective customers;
- Payment of reasonable airfare, hotel and other transportation, consistent with MKS' policies, for a visit by customer employees to inspect company facilities and/or receive training regarding MKS products;
- When associated with a legitimate business event (e.g., product training, contract negotiation or facilities inspection), payment for Company employees to take customer employees to a moderately priced dinner and a baseball game or a play; and
- Financial sponsorship of industry conferences, symposia or exhibitions in return for sponsorship recognition and/or the presence of Company sales and marketing personnel.

Examples of prohibited promotional and marketing expenses include:

- Payment of first class airfare and all expenses for a trip with spouses; and
- \$1,000 spent on dinner, drinks and entertainment for a single customer employee.

d. Promotional and Marketing Payments Requiring Advance Approval

The following payments proposed to be made by MKS Personnel relating to promotional or marketing expenses, including payments for travel and entertainment expenses, require advance approval under this Policy, regardless of whether they are separately approved by a manager or supervisor:

- any direct payment of expenses to be incurred by a third party, such as a customer's travel and entertainment expenses, that is not covered under MKS Travel and Entertainment Policies;
- any payment for reimbursement of expenses to be incurred by a third party, such as a customer's travel and entertainment expenses;
- any payment that requires approval under MKS Travel and Entertainment Policies; and
- any payment that is prohibited or otherwise not covered under MKS Travel and Entertainment Policies.

2. Promotional Gifts

Promotional gifts of nominal value (generally under US\$50) may be given as a courtesy, as a token of regard or esteem, in recognition of services rendered, or to promote goodwill. Such gifts must be small in value and should generally bear a MKS brand logo or trademark. Gifts or other items of value may not be given to influence any act or decision of a Private Sector Employee or a Government Official in his or her official capacity.

Examples of permissible promotional gifts include items of clothing bearing MKS or a MKS brand logo (polo shirt, t-shirt) or other promotional items of relatively small value. Extravagant gift-giving (e.g., expensive personal accessories such as jewelry, watches or fine clothing; season tickets to sporting events, payment of country club fees or cell phone service, MKS products other than low value products commonly distributed as promotional items) is prohibited.

Promotional gifts in excess of US\$50, or a series of gifts to the same individual or different individuals within the same organization within a twelve-month period with an aggregate value above US\$500 require advance approval.

3. Advance Approval Process for Promotional and Marketing Expenses and Promotional Gifts

Any request to make one of the promotional and marketing payments requiring advance approval that are described in Section IV.B.1.d. above or one of the promotional gifts requiring advance approval that are described in Section IV.B.2. above, must be made by email to your Country or Regional Finance Director (in addition to any required approvals under the MKS Travel and Entertainment Policies, who will review the request and respond expeditiously. When submitting a request, the requesting person must provide reasonably detailed information regarding the proposed payment or gift, including:

- the reason why the payment or gift requires approval under this Policy (e.g., it is prohibited under MKS Travel and Entertainment Policies);
- the identity of the recipient of or person benefitting from the payment or gift;
- the identity of the entity that the recipient is associated with and the recipient's title within the entity;

- the nature of MKS' business relationship with the recipient and entity;
- the nature and amount of the expense or the value of the gift;
- the purpose of the expense or gift;
- what kind of business is pending with the recipient and entity; and
- any additional information requested regarding the expense or gift, the recipient and the circumstances surrounding the expense or gift.

In the event that payment of the expense is approved, the person requesting payment of the expense must either process the related invoice or payment request in accordance with MKS' accounts payable policies and procedures or submit an expense report prepared in accordance with MKS Travel and Entertainment Policies, and a copy of the approval must be included with such invoice, payment request or expense report.

4. Cultural Gifts and Gifts to Family Members and Friends

MKS recognizes that certain cultural practices in the countries in which MKS operates or seeks to operate pose particular risk for misconduct under this Policy. For example, gift-giving is very important in some cultures. In China, gifts to Government Officials by foreign businesspersons are common under the practice of "guanxi," a traditional social and business networking practice. Under this cultural practice, gratuities are extended to aid in the cultivation of business relationships. A parallel practice of providing gifts or benefits to further business associations and to exercise influence with government officials exists in South Korea, and is referred to as "conji." Japanese business culture also incorporates gift-giving, and discretionary governmental action often hinges on an exchange of favors. Indeed, in Japan, business etiquette demands that not insubstantial gifts or bonuses are exchanged at the close of the business year among colleagues or partners.

MKS also recognizes that some MKS Personnel have family members and friends that are Government Officials or Private Sector Employees employed by current or potential customers, and these employees may desire to give gifts to these family members and friends in the course of their personal relationships.

In the case of cultural gifts, if the gift is not being given for the purpose of influencing business, and there is no current business or approval related to MKS pending before the recipient or their employer, then the gift may be acceptable under the Policy and the Anti-Corruption Laws, which do not prohibit all gifts. In the case of gifts to family members and friends, if the gift is funded by the MKS Personnel, is being given in connection with the recipient's birthday or holiday or other occasion where such gifts are normally given, is not being given for the purpose of influencing business and there is no current business or approval related to MKS pending before the gift recipient or their employer, then the gift is most likely acceptable under the Policy and the Anti-Corruption Laws. Even if there is current business or an approval pending with the recipient's employer, as long as they are not the decision-maker and cannot influence the decision-maker with respect to such business or approval, then the gift is also likely acceptable under the Policy and the Anti-Corruption Laws.

However, if there is a business contract or an approval related to MKS pending before the recipient (either a Government Official or Private Sector Employee), the contemplated gift is costly and the intended recipient is the decision-maker, these circumstances create an appearance of impropriety, and such gifts could in fact constitute a violation of Anti-Corruption Laws. Cultural gifts under such circumstances are therefore prohibited. Gifts to friends and family members under such

circumstances are not prohibited, provided the gift is funded by the MKS Personnel, is being given in connection with the recipient's birthday or holiday or other occasion where such gifts are normally given and is not being given for the purpose of influencing business, however MKS Personnel are urged to consult with a member of the MKS Legal Department prior to giving gifts under such circumstances if the gift is costly or extravagant.

Under any circumstances, please contact a member of the MKS Legal Department if you are unsure whether a particular gift would be permitted.

5. Charitable Donations

This Policy does not prohibit reasonable donations to charities on behalf of MKS under certain circumstances. MKS Personnel must ensure that donations are made in compliance with the requirements of the MKS Code of Business Conduct and Ethics, and are given only to legitimate charities (that, at a minimum, have been certified as not-for-profit by the relevant tax authorities).

Advance written approval of a charitable donation made on behalf of the Company is required in all cases.

A request for such approval must be made in writing (by email or otherwise) to a member of the Legal Department. When submitting a request, the requesting person must provide reasonably detailed information regarding the proposed payment, including:

- evidence of the written approval of the requesting person's business unit manager;
- the amount of the donation;
- the identity and purpose of the charitable organization receiving the donation, and evidence of its status as a not-for-profit organization;
- the reason for the donation to that specific charitable organization;
- any additional information requested regarding the donation, the charitable organization and the circumstances surrounding the donation.

In the event the donation is approved, the MKS Personnel requesting the donation must either process the related payment request in accordance with MKS' accounts payable policies and procedures, or submit an expense report prepared in accordance with MKS Travel and Entertainment Policies, and a copy of the approval must be included with such payment request or expense report.

V. RECORDKEEPING AND INTERNAL ACCOUNTING CONTROLS

This Section V of this Policy applies in addition to all other accounting and financial reporting and internal control policies and procedures applicable to the MKS Operations.

A. Recordkeeping

All MKS Operations are required to make and keep books, records, and accounts that, in reasonable detail, accurately and fairly reflect all payments, expenses, and other transactions. All responsible MKS Personnel will record financial transactions and information material to a transaction in a timely and accurate manner, and otherwise in conformity with accepted accounting standards. False, misleading, or artificial entries must never be made in books and records for any reason.

In order to properly identify problematic activity, MKS Personnel must understand the broad interpretations given to the key elements and defined terms in the Anti-Corruption Laws as described in this Policy, so they can recognize the scope of potential violations when reviewing accounts, expenses, payment requests and expense reimbursement requests. Examples of prohibited recordkeeping activities that MKS Personnel must be alert for and report immediately include:

- cash payments to a third party utilizing MKS funds, other than documented petty cash disbursements, including checks made out to "cash," "bearer" or anyone other than the party entitled to payment;
- records that appear to show a payment to one person, when, in fact, the payment was made to, or intended for, someone else;
- submission of false, inaccurate or incomplete expense reports, such as expense reports that do not include the purpose of the expense or the names of all persons entertained;
- records that inaccurately characterize the true nature of a transaction or payment (for example, recording a payment as an "overhead expense" instead of a "commission");
- bank accounts that contain MKS funds but are held in the names of individuals;
- any unrecorded fund or asset of MKS, such as a "slush fund" or an unrecorded petty cash or "black box" fund;
- false or artificial entries in the books and records of MKS or any subsidiary or joint venture, or participating in any arrangement that results or is likely to result in such a false or artificial entry;
- approving or making any payment on behalf of MKS with the intention or understanding that any part of the payment is to be used for any purpose other than that described by the documents supporting the payment;
- recording excessive commissions that disguise a corrupt payment;
- directly or indirectly using MKS funds or other assets for any unlawful purpose; or
- creating or maintaining mislabeled expenditures (e.g., improper payments listed as "service fees," "additional assessments," "extra costs," "extraordinary expenses," "urgent processing," "urgent dispatch," "customs processing," or "importation advances").

B. Internal Accounting Controls

The FCPA also requires MKS to implement and maintain a system of internal accounting controls that (i) provides reasonable assurances that the Company's global transactions are executed in accordance with management's general or specific authorization and are recorded properly, (ii) ensures that access to assets is permitted only in accordance with management's general or specific authorization, and (iii) also ensures that recorded accounts are periodically compared to existing assets.

Managers and Finance Department personnel, including Internal Audit personnel, should take into consideration the manner in which illegal, improper, or questionable payments could be made and determine whether existing controls provide appropriate protection to prevent such payments. Consideration also should be given to the possibility of off-book transactions and whether existing controls should be strengthened to protect against the possibility of occurrence of such transactions.

VI. ENSURING COMPLIANCE

A. Reporting Violations

MKS Personnel who suspect this Policy may have been violated must immediately notify a member of MKS' Legal Department. Employees should also feel free to report a suspected violation to their manager or supervisor, who must in turn report the suspected violation to a member of MKS' Legal Department.

MKS Personnel may also report suspected Policy violations on a confidential basis through the MKS Compliance Hotline, using the toll-free telephone number (1-800-826-6762) (see the MKS Code of Conduct for local access codes and dialing instructions when calling from outside of the U.S.) or the website (mksinst.alertline.com). While we strongly encourage you to identify yourself when reporting violations so that we may follow up with you, as necessary, for additional information and may adequately investigate and address the matter, you may report violations anonymously if you wish (unless anonymous reports are prohibited by local law¹).

To assist the Company in reviewing and, if necessary, investigating your complaints or concerns, please, to the extent possible, include the following information when you report the violation:

- the alleged event, matter or issue that is the subject of the complaint or concern;
- the name of each person involved;
- if the complaint or concern involves a specific event or events, the approximate date and location of each event; and
- any additional information, documentation or other evidence available to support the complaint or concern.

Any person who, in good faith, reports suspected legal, ethical, or policy violations will not suffer any adverse consequences for having done so. Employees who violate this Policy are subject to disciplinary action, up to and including dismissal.

B. Investigations

If the Legal Department receives a report of a suspected violation of Anti-Corruption Laws, they will obtain such additional information regarding the nature of the suspected violation as they deem necessary to enable them to make an initial determination as to whether a violation has occurred. In the event the Legal Department determines that a suspected violation has or may have occurred, then the Legal Department, with the assistance of the Finance Department and, if appropriate, outside legal counsel and/or outside auditors, will conduct an investigation to determine whether a violation occurred, and whether to contact the applicable government authorities regarding the suspected violation.

¹ Anonymous reports generally are not permitted in countries in the European Union (EU) in which the Company conducts operations. For employees located in the EU, you must identify yourself when making a report, unless you are reporting a criminal activity or a concern or complaint regarding accounting or auditing matters. If anonymous reports are made contrary to local laws, the Company may not be able to adequately investigate or address the matter.

VII. COMPLIANCE TRAINING AND AUDITING

Training and education regarding compliance with Anti-Corruption Laws are essential to properly carry out the procedures of this Policy.

A. Training Matters

MKS Personnel must participate in annual training courses offered by MKS. All Company records evidencing attendance at such training must be kept for a minimum of five (5) years.

B. Compliance Auditing

The Internal Audit function of the Finance Department will conduct periodic audits of MKS' Sales function and each MKS business unit regarding compliance with this Policy in such scope and frequency as determined by MKS' Chief Financial Officer in conjunction with Internal Audit and the Legal Department. Each such audit will include the elements established by MKS' Internal Audit Department in Conjunction with the Legal Department.

VIII. MERGERS AND ACQUISITIONS DUE DILIGENCE

When conducting due diligence on a prospective acquisition target, MKS Personnel participating in the due diligence process will determine whether the prospective target's business involves the risk of violation of Anti-Corruption Laws. If the potential target's business does involve such risk, then qualified MKS Personnel (e.g., the Legal Department and Finance Department) and/or outside counsel or outside auditors will evaluate the effectiveness of the prospective target's anti-corruption compliance efforts, disclose to Company management any inadequacies found with such efforts, any risks associated with such inadequacies, and potential solutions for mitigating such risks in the event the acquisition is consummated.

IX. POLICY INTERPRETATION

Neither this Policy nor any anti-corruption compliance training will provide MKS Personnel with definitive answers to all questions regarding the Anti-Corruption Laws. In addition to the procedural requirements of this Policy, if any doubt exists as to the permissibility under this Policy or the legality under the Anti-Corruption Laws of any planned payment, gift or other benefit to a Government Official or Private Sector Employee, or the accuracy of financial reporting with respect to any transaction, the matter must be referred immediately to MKS' Legal Department prior to making any such payment or recording such financial information. The determinations made by the Legal Department under this Policy are final. Nothing in this Policy is intended to detract from, change or replace any Anti-Corruption Law that applies to the Company, or any MKS Personnel. In countries where there are legal requirements and customary business practices that are less restrictive than those detailed in this Policy, compliance with this Policy is required. However, if an applicable law contradicts or is more restrictive than this Policy, compliance with such applicable law is required.

X. QUESTIONS AND INQUIRIES

All MKS Personnel are expected to become familiar with and comply with the guidelines in this Policy to avoid inadvertent violations, and to recognize and address issues in a timely and appropriate manner. If any MKS

Personnel has any doubts as to the scope of applicable laws or the requirements of this Policy, or needs more specific information, they should contact the Legal Department for guidance.