



**Title:** The Foreign Corrupt Practices Act Policy of CONSOL Energy Inc. (“FCPA Policy”)

**Effective Date:** September 25, 2018

## **I. PURPOSE AND SCOPE; POLICY ADMINISTRATION AND RESPONSIBILITIES**

CONSOL Energy Inc. (“CONSOL”) and its subsidiaries are committed to complying with all applicable laws, regulations, and internal CONSOL policies and procedures. CONSOL requires compliance with the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), and all other applicable anti-corruption laws in the conduct of its business. The FCPA Policy provides guidance in this important compliance area.

The FCPA Policy applies to all employees, directors and officers of CONSOL and its subsidiaries (collectively, the “Company”), as well as to any third parties acting on the Company’s behalf or otherwise representing the Company (collectively, “Third Parties”). The Company and its Third Parties are referred to herein as “Covered Persons” and are required to comply with the FCPA Policy. The FCPA Policy should be read together with the CONSOL Energy Inc. Code of Business Conduct and Ethics (“Code of Ethics”). The FCPA Policy shall be distributed to all Covered Persons.

The FCPA Policy will be administered by CONSOL’s Chief Legal Officer (“CLO”) or his/her designee(s), who will report at least annually to the Board on the status of the Company’s compliance with the FCPA Policy. The CLO or his/her designee(s) will review this FCPA Policy at least annually and recommend appropriate amendments to the Board as necessary. CONSOL reserves the right to amend, rescind or replace the FCPA Policy at any time.

Any questions concerning the Policy should be communicated to a direct supervisor, the CLO, or his/her designee(s).

## **II. POLICY STATEMENT**

**1. No Bribery of Foreign Officials** – The Company prohibits any Covered Person from making, offering, promising, or authorizing any payment or transfer of **anything of value**, either directly or through another party, to a **Foreign Official** in order to obtain or retain business or to secure any improper business advantage for the Company. Such conduct may expose Covered Persons and the Company to criminal prosecution in the United States and in other countries in which the Company operates or has business ties. Covered Persons are required to be familiar with the FCPA Policy and comply with it when acting on behalf of the Company. The senior management of the Company will fully support any Covered Person who declines to engage in conduct that would violate the FCPA Policy, even if the result is the loss of a business opportunity.

The term “**anything of value**” has been defined broadly by U.S. authorities. It includes, but is not limited to, cash or cash equivalents, entertainment, meals, travel, gifts, political or charitable contributions, reimbursement of expenses, personal favors, forgiveness of debt, offers of employment, tax advantages, and educational placement.

The term “**Foreign Official**” includes any officer, employee, or person acting in an official capacity for or on behalf of a non-U.S. government or any department, agency, or instrumentality thereof, or a public international organization. This term also includes non-U.S. political parties and their officials, and candidates for non-U.S. political office. It is defined broadly to include the

employees and officers of companies and entities owned or controlled, in whole or in part, by a non-U.S. government, such as state-owned energy companies or public utilities, and anyone acting on behalf of a government entity.

Any questions about these definitions, including whether a particular individual qualifies as a “Foreign Official” should be directed to the CLO or his/her designee(s).

- 2. *Facilitating Payments are Prohibited*** – Payments made to any Foreign Official to expedite routine and non-discretionary governmental actions are sometimes referred to as “facilitating payments” or “grease payments.” These payments are not permitted under the laws of some countries and the Company prohibits such payments.
- 3. *Payments Are Permitted if Required to Protect Health and Safety*** – If any Covered Person receives a demand for a payment to a Foreign Official and reasonably believes that not making the payment would result in an imminent threat to his or her health or safety or the health or safety of a member of his or her family, then the payment may be made. This exception does not apply to threats to commercial, financial, or other interests. If such a payment is made, the circumstances of the payment, including the reason for it, its amount, and the identity of the recipient, must be accurately recorded and reported in writing to the CLO or his/her designee(s) as soon as is possible after the payment has been made.
- 4. *Certain Payments to Foreign Officials May Be Allowable*** – Reasonable business development, including providing marketing materials, travel, meals, entertainment, or gifts to a Foreign Official may be allowable under certain circumstances. Providing any travel, meals, entertainment, or gifts to a Foreign Official requires written pre-approval from the CLO or his/her designee(s). The CLO shall adopt and maintain guidelines regarding allowable payments to foreign officials.
- 5. *Political Contributions*** – The Company prohibits the contribution of any Company funds, property or services to any political party or committee, domestic or foreign, or to any candidate for or holder of any office of any government—national, state, local, or foreign—except as otherwise provided under the Code of Ethics.
- 6. *Community / Charitable Giving*** – Reasonable charitable donations may be made to charitable organizations in the communities in which the Company conducts business only if the donation (1) is permitted under local law; (2) is pre-approved in writing by the CLO or his/her designee(s); and (3) the donation is accurately recorded in the Company’s books and records.
- 7. *Conducting Business with Third Parties*** – The FCPA prohibits corrupt offers, promises and payments of money or anything of value through third parties to any Foreign Official. If circumstances indicate that CONSOL “turned a blind eye” to the activity that caused the violation or to “red flags” that indicated that a third party might engage in such improper activities, CONSOL or its employees may be deemed to have had knowledge of the unlawful conduct and may be liable under the FCPA. A non-exhaustive list of “red flags” is contained in Exhibit 2 to the CONSOL Anti-Corruption Due Diligence Checklist.
- 8. *Anti-Corruption Compliance Due Diligence*** – The Company, at the discretion of the CLO or his/her designee(s), will conduct appropriate anti-corruption compliance due diligence before conducting business with third parties that will or may have contact with a Foreign Official on the Company’s behalf. Such due diligence may include some or all of the items set forth on the CONSOL Anti-Corruption Due Diligence Checklist maintained by the CLO or his/her designee(s). The continued monitoring of third parties is important. As time passes and circumstances change, additional due diligence on a given third party may be required. The CLO or his/her

designee(s) shall be consulted regarding the necessity and frequency of any additional or supplemental due diligence.

**9. *Anti-Corruption Compliance Contractual Provisions*** – Unless otherwise approved in writing by the CLO or his/her designee(s), the Company will seek to include in all contracts with third parties that will or may have contact with a Foreign Official on the Company's behalf, provisions addressing the following:

- A. the counterparty's obligation to comply with the FCPA Policy, the FCPA, any other applicable anti-corruption laws, and the Code of Ethics;
- B. the Company's right to predicate execution of the agreement on satisfactory completion of anti-corruption due diligence on the counterparty;
- C. the Company's right to audit the counterparty's books and records and the counterparty's obligation to cooperate with any such audit;
- D. payment mechanisms that comply with this FCPA Policy, the FCPA, any other applicable anti-corruption laws, and the Code of Ethics;
- E. the counterparty's obligation to maintain accurate books and records;
- F. the counterparty's obligation to certify annually that it has complied with the FCPA Policy, the FCPA, any other applicable anti-corruption laws, and the Code of Ethics; and
- G. remedies (including termination rights) for non-compliance with the contract terms, the FCPA Policy, the FCPA, any other applicable anti-corruption laws, or the Code of Ethics.

**10. *Transacting Business with non-U.S. Government Entities*** – The FCPA focuses on corrupt payments to individual Foreign Officials. The FCPA does not prohibit CONSOL from engaging in legitimate business transactions with government entities, such as contracting for delivery of various goods and services, but there is increased risk associated with such transactions. Accordingly, all such transactions should be discussed with the CLO or his/her designee(s).

**11. *Transacting Business with Foreign Officials or Entities Owned by Foreign Officials*** – Business relationships with Foreign Officials or entities owned by Foreign Officials can create significant FCPA compliance risks. The CLO or his/her designee(s) must be consulted prior to doing any business with Foreign Officials or entities that may be owned by current or former Foreign Officials.

**12. *Books and Records / Internal Controls*** – The FCPA requires CONSOL and all of its subsidiaries to (i) maintain books and records that accurately reflect each transaction and (ii) maintain a system of internal accounting controls. The Company shall make and keep books and records and maintain a system of internal accounting controls as set out in Section 14 of the Code of Ethics.

**13. *Penalties*** – Any Covered Person who violates the FCPA Policy, the FCPA, any other applicable anti-corruption laws, or the Code of Ethics may be disciplined up to and including termination of employment or retention. Penalties for violating the FCPA are severe and may include criminal and civil prosecution resulting in fines, imprisonment, or both. The Company is not permitted to reimburse individuals for fines resulting from FCPA violations. The Company will actively seek to recoup any losses it suffers as a result of a violation of the FCPA or other applicable anti-corruption laws from the individual or entity that caused the violation.

**14. *Reporting Obligations and Questions*** – All Covered Persons are required to report any demand made upon him or her for an illegal or questionable payment and any knowledge, awareness, or suspicion of a violation of the FCPA Policy, the FCPA, any other applicable anti-corruption laws, or the Code of Ethics by the Company or any Covered Person to the CLO, his/her designee or the CONSOL Compliance Hotline at 1-800-544-8024. Reports made to the hotline are anonymous.

Under Section 18 of the Code of Ethics, the Company has zero tolerance for retaliation of any kind against any individual who in good faith makes inquiries, reports concerns, or participates in investigations of a potential violation of the FCPA Policy, the FCPA, or other applicable anti-corruption laws.

If a Covered Person has any questions or concerns regarding compliance with the FCPA or the FCPA Policy, they are required to seek clarification from a supervisor or the CLO or his/her designee(s).

**15. *Certification of Compliance*** – Covered Persons shall certify compliance with the FCPA and the FCPA Policy, as deemed appropriate by the CLO or his/her designee(s), by signing the Compliance Certification attached to the FCPA Policy as Annex A.

**16. *Training*** – The Company will provide training to Covered Persons on compliance with the FCPA and the FCPA Policy as deemed appropriate by the CLO or his/her designee(s).

#### **IV. ADDITIONAL RESOURCES AND RELATED DOCUMENTS**

**1. *Additional FCPA Resources*** – For more information about the application of the FCPA Policy, look to CONSOL’s Hypothetical Situations Regarding the FCPA at Annex B. For more detailed information about the FCPA, see *A Resource Guide to the U.S. Foreign Corrupt Practices Act*, a compilation of information about the FCPA, its provisions, and its enforcement. It is available on the DOJ’s website at <http://www.justice.gov/criminal/fraud/fcpa/guide.pdf>.

**2. *Related Documents***

Annex A – Certificate of Anti-Corruption Compliance

Annex B – Hypothetical Situations Regarding the FCPA

Guidelines on Allowable Payments to Foreign Officials

Anti-Corruption Due Diligence Checklist

**Approved by:**

CEIX Board of Directors, September 25, 2018

**Annex A**

**CONSOL ENERGY INC.**

**Certificate of Anti-Corruption Compliance**

I, \_\_\_\_\_, do hereby certify on behalf of [Covered Person] that [Covered Person] has received, read, and understood a copy of the Foreign Corrupt Practices Act Policy of CONSOL Energy Inc. (the "FCPA Policy"), the U.S. Foreign Corrupt Practices Act of 1977, as amended, ("FCPA"), and the CONSOL Energy Inc. Code of Business Conduct and Ethics (the "Code of Ethics"). I further hereby certify on behalf of [Covered Person] that [Covered Person] will comply with the FCPA Policy, the FCPA, and any other applicable anti-corruption laws. I further hereby certify that [Covered Person] will take no action that might cause CONSOL Energy Inc. or its subsidiaries (collectively, the "Company") to be in violation of the FCPA Policy, the FCPA, any other applicable anti-corruption laws, or the Code of Ethics.

I further hereby certify on behalf of [Covered Person] that I am not aware of any action that I or any individual or entity associated with the Company or a third party acting on behalf of or otherwise representing the Company have taken that could cause the Company to be in violation of the FCPA Policy, the FCPA, any other applicable anti-corruption laws, or the Code of Ethics.

I further hereby certify that:

(A) neither I, nor to the best of my knowledge and belief, any individual or entity associated with the Company or a third party acting on behalf of or otherwise representing the Company has directly or indirectly made, offered, promised, or authorized any payment, gift of money, anything of value, or any advantage, directly or indirectly, to any person, including to any Foreign Official (as defined in the FCPA Policy), in order to influence an act or decision that may assist the Company in obtaining or retaining business or in directing business to anyone else;

(B) neither I, nor to the best of my knowledge and belief, any individual or entity associated with the Company or a third party acting on behalf of or otherwise representing the Company has created a false, incomplete, or inaccurate record of any Company expenditure; and

(C) neither I, nor to the best of my knowledge and belief, any individual or entity associated with the Company or a third party acting on behalf of or otherwise representing the Company has engaged in any conduct or behavior prohibited under the FCPA Policy, the FCPA, any other applicable anti-corruption laws, or the Code of Ethics.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Annex B

### CONSOL ENERGY INC.

#### Hypothetical Situations Regarding the FCPA

##### 1. Introduction

This document is intended to answer some common questions and address some hypothetical situations regarding the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”). It is meant to supplement the Foreign Corrupt Practices Act of Policy of CONSOL Energy Inc. (“FCPA Policy”) and should be read together with the FCPA Policy and the CONSOL Energy Inc. Code of Business Conduct and Ethics (“Code of Ethics”).

##### 2. **If I make a small payment to a Foreign Official, he or she will approve a transaction that will save CONSOL thousands of dollars. Can I make the payment?**

No. This payment violates CONSOL’s FCPA Policy and may violate the FCPA. It may also violate the local law in the Foreign Official’s country. Such a payment may subject you and CONSOL to substantial fines, penalties, and even imprisonment. Your conduct may cost you your job and may negatively affect CONSOL’s reputation in the business community. Such an action may also damage the relationship with CONSOL’s customers – e.g., it may provide the basis for a claim of breach of contract. A request for such a payment by a Foreign Official should be reported to the CLO or his/her designee(s).

##### 3. **I am negotiating a substantial contract with a representative of a state-owned company. To assist the decision-making process, I want the representative to visit our U.S. facilities. Since the contract is large, I want CONSOL to provide first class tickets for the representative and his wife, a per diem allowance, hotel and meals costs. Does this violate the FCPA Policy?**

Yes. While paying for a Foreign Official to travel to CONSOL facilities may be acceptable in some circumstances, it would not be acceptable in this situation. First, the FCPA Policy requires written approval from the CLO or his/her designee(s) before providing any travel to a Foreign Official. Second, this does not meet the CONSOL Allowable Payments to Foreign Officials Guidelines. First class tickets may be unreasonable in cost, per diems are to be avoided, and providing travel to the Foreign Official’s wife is prohibited.

##### 4. **I am doing business in a country where bribery is common. In fact, bribes are expected and necessary to get things done. Since everyone is doing it, I assume that bribery is acceptable. Is this correct?**

No. Bribery violates the FCPA, the FCPA Policy, and the Code of Ethics; it is unacceptable under any circumstances. Our employees and others working on our behalf must not violate the law, the FCPA Policy, or the Code of Ethics regardless of the conduct of other companies.

##### 5. **I am an operational employee. Sometimes I think these complicated legal answers to simple questions just don’t make sense. If I want a simple “yes” or “no” response to my questions, who should I contact?**

You can begin by contacting your immediate supervisor or manager. If the response is unclear, or you have additional concerns, contact the CLO or his/her designee(s). Sometimes answers are complicated because the law is complex. When discussing the situation, provide as much detail as possible. A lawyer’s job is to ensure CONSOL and its employees are aware of, and in compliance with, the FCPA Policy, the Code of Ethics, the FCPA, and local law. The lawyers are also responsible for providing guidance to employees to ensure there are

no inadvertent violations of the law. However, please remember that every employee is responsible for complying with the FCPA, all other laws, and CONSOL's policies.

- 6. We use a specific customs agent in country Y. When we send equipment, we routinely "pay" this agent a little extra to "take care of things" such as incomplete paperwork. The payment is intended to cover extra costs the agent may incur. Am I violating the FCPA Policy?**

Yes. Depending on the facts, the "little extra" may constitute a facilitating payment or it may constitute a bribe. In either case, such payments are prohibited by the FCPA Policy. The payments may also violate local law.

- 7. We have heard rumors that other companies may be paying for trips for Foreign Officials. If CONSOL doesn't do the same, others may have an unfair advantage. Why do we have to follow the law while other companies do not?**

CONSOL will abide by the FCPA and all other laws in the countries where it operates. There are no exceptions. Violations of the law, the FCPA Policy or the Code of Ethics will not be tolerated.

- 8. I am a citizen of country Y who works for a CONSOL subsidiary. I have never been to the U.S. I have been recording small bribes or "gifts" (as we call them) on my expense reports as taxi fares. I haven't told my manager, but these payments allow the import/export side of the business to operate smoothly. Since my manager doesn't know the details, and I am not a U.S. citizen, am I breaking the law?**

Yes. Bribes violate the FCPA. Although you are not a U.S. citizen, the FCPA's jurisdiction is broad and can include non-U.S. citizens. Indeed, U.S. enforcement agencies have successfully extradited and prosecuted non-U.S. citizens for violations of the FCPA. Your conduct can also be imputed to CONSOL's subsidiary and CONSOL, which, as a U.S. company, is subject to the FCPA. In addition, your conduct may also be imputed to your manager. Keeping your manager in the dark does not absolve him/her from responsibility. You should cease making these bribes immediately and report this situation to the CONSOL Compliance Hotline or the CLO or his/her designee(s).

- 9. I propose to make a personal political contribution in country Y and ask CONSOL to subsequently reimburse me for the contribution. Who is liable if local law prohibits political contributions?**

The U.S. government may consider both the employee and CONSOL liable because CONSOL's reimbursement implicitly recognizes the employee acted on its behalf. As required by the Code of Ethics, you must always consult the CONSOL Legal Department and obtain written authorization before making any political contribution on behalf of CONSOL.

### **Additional FCPA Information: Avoiding Trouble**

#### **1. Responding to a Request for an Improper Payment**

To protect CONSOL and all of its employees, the following rules must be followed, without exception, when responding to a request for an improper payment:

- A. Refuse to make the payment and explain that CONSOL does not make such payments because they violate the FCPA, the FCPA Policy, and the Code of Ethics and, in all probability, local law.

- B. Make it clear that the refusal is absolute. Do not use any body language or implicitly suggest anything less than full compliance with the FCPA, the FCPA Policy, and the Code of Ethics.
- C. Immediately report the request for the improper payment to the CLO, his/her designee or the hotline.
- D. If a CONSOL representative or third party is involved, explain to them that they are not authorized to make such a payment on behalf of CONSOL and CONSOL will terminate the relationship if the payment is made.
- E. In addition to strict compliance with the FCPA, CONSOL employees and representatives should avoid any appearance of impropriety in business transactions.

## **2. Other Things to Remember**

Remember that employees have certain obligations to CONSOL.

- A. When you have doubts or concerns, ask questions.
- B. Contact the CLO or his/her designee(s) before conducting any business with third parties.
- C. Be vigilant in monitoring third parties closely.
- D. If you hear rumors of improper payments or “red flags,” refer them to the CONSOL Legal Department; do not ignore them.
- E. Record and document all payments and any disposition of CONSOL assets.
- F. Comply with all U.S. and local laws.