



ANTI-BRIBERY & CORRUPTION (ABC) POLICY & PROCEDURES

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Table of Contents

1. Introduction
2. CLA's Policy on Bribery and Corruption
3. Bribery is Illegal
4. Recognizing Bribery and Corruption
5. How to Raise a Concern
6. Appendices

Appendix A: Related ABC Policies and Specific Procedures

- A. Code of Conduct – General Policy
- B. Localized Risk Assessment
- C. Due Diligence
- D. Accurate Books and Record-Keeping
- E. Effective Monitoring and Internal Control
- F. Training and Awareness

Appendix B: Where do Bribery and Corruption Risks Typically Arise?

- A. Use of Agents
- B. Hospitality and Entertainment
- C. Marketing Events
- D. Donations, Contributions and Sponsorships
- E. Giving and Receiving Gifts
- F. Facilitation Payments
- G. Payments to Facilitate Tax Evasion

Appendix C:

Country Specific Information

1. Introduction

Financial Times | IE Business School Corporate Learning Alliance (“CLA”)¹ is committed to conducting its business ethically in every country where we do business, as well as complying with all applicable laws. This includes compliance with anti-bribery and anti-corruption (“ABC”) laws such as the USA’s Foreign Corrupt Practices Act (“FCPA”) and the UK Bribery Act 2010.

The purpose of this document is to provide guidance to CLA employees concerning compliance with ABC. This guidance relates to specific acts of bribery and corruption and also to related matters such as proper reporting and accounting and the selection and management of agents and other company intermediaries.

This policy may be ‘localized’, as necessary, with approval from CLA’s CEO (provided that localisation does not affect in any way the need to comply with CLA policy and/or ABC laws). The Finance Director of CLA has been appointed to monitor compliance with this policy and to grant approvals as required by this document.

2. CLA’s Policy on Bribery and Corruption

CLA has a zero tolerance policy towards bribery and corruption.

CLA employees and others working on its behalf may not offer, promise or give a bribe to anyone, and may not request, agree to accept, or take a bribe from anyone.

CLA has in place anti-corruption measures to maintain its high ethical standards and protect its reputation against any allegations of bribery and corruption. These measures are scheduled in Appendix A.

It is CLA’s policy to compete fairly. We want to win business because of the quality and competitiveness of our products and services. We will not attempt to win on any other basis.

We seek to influence others wherever practical by setting an example and openly refusing to undertake or support bribery as a way of doing business anywhere in the world.

3. Bribery is Illegal

Bribery is a crime in most countries where CLA operates, and penalties can be severe, including prison sentences and large financial penalties. Legislation in the UK (the Bribery Act 2010) not only makes paying or taking a bribe illegal, i.e., the person who pays or takes a bribe has committed a crime, but also holds UK companies liable for failing to prevent bribery by those working on its behalf, even indirectly (such as through non-UK subsidiaries, agents, contractors, suppliers and intermediaries), no matter who is bribed or where the bribe takes place. The only defence a company has to the crime of failing to prevent bribery is if the company can prove that it had in place adequate procedures designed to prevent bribery by those performing services on its behalf (which includes third parties). The Bribery Act 2010 applies to CLA and its employees worldwide.

In addition, under the US Foreign Corrupt Practices Act (“FCPA”) it is a crime to bribe a foreign official for the purpose of obtaining or retaining business or to secure an improper advantage. The FCPA applies to CLA and its employees worldwide.

¹ References in this policy to CLA also include CLA’s operating companies where applicable.

4. Recognizing Bribery and Corruption

Bribery and corruption have a number of definitions. Here are two –

Bribery means giving or receiving an undue reward (or offering to do so) to influence the behaviour of someone in government or business, in order to obtain business or financial or commercial advantage in a way which breaches an expectation of good faith or impartiality.

Corruption means the abuse of an entrusted power for private gain.

Some specific situations in which bribery and corruption risks typically arise are scheduled in Appendix B.

It is irrelevant whether the person who receives the bribe works in the public or private sector.

A bribe could involve:

- The direct or indirect promise, offer, authorization, or provision of anything of value
- The offer or receipt of any kickback, loan, fee, commission, reward, or other advantage
- The giving of contributions or donations designed or stipulated to influence the recipient to act in the giver's favour

The purpose of a bribe is often to obtain, retain or “facilitate” business, where the person receiving the bribe is, or may be, in a position to provide that kind of business advantage to the party offering the bribe. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licences, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of an administrative task.

The party offering a bribe might be:

- An employee, officer or director
- Any person acting on behalf of CLA (e.g., third parties)
- Individuals and organisations representing CLA that authorise someone else to carry out these acts.

And the recipient of a bribe could (but not always) be a government official. For the purposes of this policy, a government official could be any of the following or their relatives:

- A public official, whether foreign or domestic
- A political candidate or party official
- A representative of a government-owned/controlled organisation
- An employee of a public international organisation or non-governmental organization (e.g. World Bank)

5. How to Raise a Concern

This policy cannot provide employees with comprehensive solutions to every potential bribery or corruption situation that may arise. In case of uncertainty about the correct response to any situation employees are required to discuss the situation with their manager, who will consult with the Finance Director and/or then if necessary with Board of Director's about any ethical or legal problems.

We all have a responsibility for helping detect, prevent and report instances of bribery and any other suspicious activity or wrongdoing. CLA is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every employee to know how they can speak up without fear of doing so.

If an employee is concerned that a corrupt act of some kind is being considered or carried out – either within CLA, by any of our third-parties or by any of our competitors – they should, in the first instance, report it to the Finance Director immediately.

Investigation, Remediation, Discipline

If CLA determines that an employee or Agent² has not complied with any provision of this policy, it will take appropriate action which may include ending of an employee's employment or an Agent's contract, initiating proper legal action and/or notifying the proper authorities regarding the violation.

VanDyck Silveira
CEO

² The term Agent is defined as agents, representatives, consultants, brokers, contractors, suppliers, co-publishers or any other intermediary that provides services. This could include a joint venture in which CLA participates if the degree of CLA's control or other facts relevant to potential acts of bribery might indicate that in connection with those acts the JV was performing a service for CLA itself.

APPENDICES

A: Related ABC Policies and Specific Procedures

B: Where do Bribery and Corruption Risks Typically Arise?

C: Country Specific Information

Appendix A - Related ABC Policies and Specific Procedures

A. Code of Conduct – General Policy

The Code requires all employees, agents and others working on behalf of CLA to comply with all applicable laws in all countries where CLA operates.

B. Localized Risk Assessment

Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Business management must regularly and at least annually assess the vulnerability of each country business unit to the risk of bribery and corruption. Proper risk assessment allows for evaluation and mitigation of the risk of bribery and corruption in a particular country or region.

C. Due Diligence

Depending upon the degree of risk, as determined by localized risk assessments, anti-corruption due diligence reviews may be needed for hiring of employees and the vetting of agents and other third-parties who work or will work on behalf of CLA. ABC due diligence should also be performed as part of an acquisition process and when establishing a joint venture.

D. Accurate Books and Record-Keeping

Many serious global bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. Various laws (including the FCPA) and the Code of Conduct require that CLA keep accurate books and records, and CLA's financial policies and procedures define proper accounting practices. CLA's records must accurately reflect all transactions.

E. Effective Internal Control and Monitoring

CLA maintains a system of internal accounting controls which can be found in other documentation. Business management are responsible for monitoring adherence to this policy and procedures designed to prevent or detect bribery and corruption. The approvals and documentation standards identified in this policy and procedure document will be subject to regular review.

F. Training and Awareness

Anti-bribery training is provided for CLA employees and will be provided (as appropriate, dependent upon risk) for our agents and other third-parties working on CLA's behalf. This could include a joint venture as defined in this policy (see 'Agent'). Those who work in businesses identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities. Regular training will be conducted at all levels of the business (including at the CLA Board level) and records of the training maintained. Training materials will include illustrative scenarios that may be encountered.

Appendix B - Where do Bribery and Corruption Risks Typically Arise?

This section deals with some specific situations that may present concern about the potential for bribery or corruption.

A. Use of Agents

Because the actions of an Agent can expose CLA to liability under ABC laws, a level of due diligence appropriate to the market should be undertaken prior to their appointment and retention or at renewal of any agreement. Relationships with Agents that do not comply with this policy or raise red flags should be brought to the attention of the Finance Director who will decide what will happen with the relationship; this may include additional compliance steps or an immediate cessation of the relationship.

If required by the risk assessment, provisions to the following effect should be included in an Agent's agreement:

- Agent will not pay or take bribes.
- Agent will be paid by check or wire to the Agent and not to another third party organisation.
- Agent must acknowledge familiarity with and adherence to ABC laws.
- Agent will be required to maintain adequate books and records and allow them to be inspected by CLA
- Agent will inform CLA if Agent learns of actual or attempted bribery affecting CLA's business, and will cooperate with any ABC related investigation by CLA.
- CLA will be able to terminate the Agent's agreement if, in CLA's view, that Agent has violated any of the ABC provisions of the agreement.

Particular care must be taken before CLA establishes an agency arrangement to understand that Agent's connection, if any, to a government official. In selecting Agents, it is important to establish whether:

- A government official has any ownership connection with the Agent,
- The Agent is a candidate for political office or a consultant to a government, or
- The Agent is a government official or has close family or business ties with a government official

Any concerns about an Agent's relationship with a government official must be discussed with and approved by the Finance Director.

B. Hospitality and Entertainment

Bona fide hospitality and promotional, or other business expenditure which seeks to improve the image of CLA, better to present products and services, or establish cordial relations, is recognised as an established and important part of doing business.

Hospitality, entertainment, or other business expenses provided to government officials, business partners and customers for these purposes are permitted, as long as they are reasonable and proportionate. In the case of government officials, hospitality entertainment or other similar expenses require prior authorisation from the Finance Director.

Hospitality, entertainment or other similar expenses are not permitted IF:

- it might influence the outcome of a business transaction, whatever the value of the expense, or a reasonable individual could interpret it that way
- for the purpose of facilitating or expediting any decision to award new business, to renew existing business or to take any other action
- given for personal benefit, friendship, personal acquaintances or family purposes

In addition:

i. Entertainment events attended must always be ethically acceptable and not against applicable law and CLA policy. For example, so-called “adult entertainment” events and events at venues such as massage parlours or the like are not acceptable, nor is any event that would insult a person’s race, religion, or sex.

ii. Hospitality or entertainment given or received in the form of cultural and sporting events is permitted without prior approval as long as it does not violate the above provisions of this policy and is not more than of a €500.

iii. Any travel arrangements for government officials, business partners or customers must be pre-approved. Reasonable meeting, travel or accommodation expenses are permitted if:

1. a bona fide business expense (i.e., within the normal scope of the business),
2. related to the promotion, demonstration or explanation of products or needed for the performance of a contract, and
3. only for persons directly related to the business (e.g., not spouses, relatives, etc.)

iv. Travel arrangements which could be deemed to be excessive must be approved by the Finance Director.

v. With respect to consumables, these must be consumed at the event, otherwise they should be considered a gift (see E below)

Payments for all hospitality and entertainment must be made directly by CLA to the service provider. Detailed and itemized receipts of such expenses must be submitted with the appropriate method for payment or reimbursement, i.e., employee’s expense claim.

A log of all entertainment received and given by CLA staff must be maintained which includes:

- the attendees by name,
- attendees position in CLA or other company,
- location/type of venue,
- purpose of the meeting, and
- the cost per attendee (estimated if not known)

All requests, approvals, entertainment logs and expense claims must be filed and maintained for review by management.

C. Marketing Events

Distribution of marketing or promotional materials, in accordance with industry customs and practices is permitted, such as the following:

1. trials, samples, review or desk copies of CLA product in reasonable quantities,
2. promotional events open to a wide audience,
3. premium items/promotion goods such as t-shirts, bags, etc., are allowable if they are clearly connected to CLA promotions and marketing efforts and items clearly carry irremovable CLA branding.

Where joint promotional activities are carried out, there should be a proper written arrangement, approved by the Finance Director, with full details and supporting documentation for any of the costs being reimbursed.

D. Donations, Contributions and Sponsorships

CLA supports and encourages the right of all employees to personally participate in the political process on an individual basis but does not permit the use of corporate resources (such as CLA property and/or employee work time) for political activities.

To ensure that charitable contributions, donations and sponsorships made on behalf of CLA are not used to circumvent CLA anti-bribery policies all charitable contributions, donations and sponsorships require the prior written approval of the Finance Director. The following will not be reimbursed by CLA:

- direct or indirect contributions by employees or agents to political parties at any level of government, party officials or organizations or individuals engaged in politics
- direct or indirect contributions by employees or agents to parties seeking election to political office (as above)

E. Giving and receiving gifts

In many countries where CLA does business there are generally accepted customs regarding the exchange of business gifts to strengthen business relationships. They should never be used to obligate, or appear to obligate, the recipient.

They are never gifts of cash, cash vouchers, certificates with a set negotiable value, or other cash equivalents.

Gifts that are repetitive (no matter how small) may be perceived to be an attempt to create an obligation to the giver and are therefore inappropriate to give or receive.

Employees may never seek or request gifts, or personal preferential treatment in any matter, from any person or organization.

Gifts of less than €500

CLA policy generally permits the giving and receiving of business gifts of less than €500 that are customary business courtesies and are reasonable in value and frequency.

In addition, during holidays or festivals, it may be customary for gifts to be given on a personal basis.

Employees are required to ensure there is a clear distinction between the gifts given on a personal basis and those given on behalf of CLA. Under no circumstances are employees to misrepresent personal gifts and/or use such customs to circumvent CLA's gifts policy.

Gifts greater than €500

In order for any gift greater than €500 to be made by an employee to a person or organisation that has or seeks a business relationship with CLA or with which CLA seeks such a relationship, approval must be obtained from the Finance Director.

If a gift is offered to an employee that is greater than €500 it should normally be refused. However, if offence may be caused or return is impractical then it must be discussed with the Finance Director. If return is not practical CLA may elect to donate it to charity or make some other appropriate disposal of the gift to charity.

Gifts involving government officials

In all cases when a gift is made to or received from a government official that has or seeks a business relationship with CLA or with which CLA seeks such a relationship, approval must be obtained from the Finance Director and must be recorded.

Recording gifts

A log of gifts greater than €500 given or accepted will be kept and will include a record of the gift's nature and value, the names of the giver and the recipient, the reason or occasion for the gift, and the fact of the approval of the giving or retention of the gift. Such logs must be filed and maintained for review by management.

F. Facilitation Payments

Facilitation payments are defined as "any facilitating payment or expediting payment to a foreign official, political party, or party official the purpose of which is to expedite or to secure the performance of a routine governmental action." **They are illegal under UK law and the laws of many other countries, and are against CLA policy.**

No CLA employee or Agent may willingly offer to make, or make, a facilitation payment. There may be circumstances in which individuals are left with no alternative but to make payment in order to protect against loss of life, limb or liberty. If these payments are made, they should be reported to the Finance Director as soon as practical.

G. Payments to Facilitate Tax Evasion

CLA will not facilitate the evasion of tax by a customer, supplier or other third party, including government officials and contractors, by making payments to off-shore bank accounts or by other means which have no commercial basis or clearly could be construed by tax authorities to be to facilitate tax evasion by the recipient.

Appendix C

Country Specific Information (This is an example)

China

For holidays such as Chinese New Year and the Mid-autumn Festival, the relevant gifts will be allowed with the type and value of the gifts decided with the approval of the Finance Director.

CLA China should properly account for all such gifts to ensure that they are fully logged and tracked in terms of value, receiver, receiver's position, purpose, etc.