Policy

U.S. Foreign Corrupt Practices Act and Anti-Bribery for the EasyShop Network

EasyShop — U.S. Foreign Corrupt Practices Act and Anti-Bribery Policy & Procedures
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Purpose

- Affirm EasyShop's commitment to comply with the U.S. Foreign Corrupt Practices Act (FCPA) and all applicable anti-bribery laws in countries where we operate by prohibiting any offer, promise, payment or authorization of anything of value to obtain or retain business or secure any improper advantage.
- Require appropriate due diligence, accurate books and records, internal controls, training and prompt reporting of suspected violations to prevent, detect and respond to bribery risk across EasyShop's operations and third-party relationships.

Introduction

EasyShop is committed to conducting its business ethically and in compliance with applicable laws and regulations, including the U.S. Foreign Corrupt Practices Act (FCPA) and other laws that prohibit improper payments to obtain a business advantage.

This document sets out EasyShop's policy prohibiting bribery and other improper payments in EasyShop's business operations and the responsibility of its employees to implement this policy. Any questions about this policy or its application in particular circumstances should be directed to Executive Management.

Policy overview

EasyShop strictly prohibits bribery or any other form of improper payment in any part of its business operations. This prohibition applies to all business activities worldwide, whether they involve government officials or are purely commercial. A bribe or other improper payment to secure a business advantage will never be acceptable and may expose the individuals involved and EasyShop to criminal prosecution, reputational harm, and other serious consequences.

This policy applies to all persons within EasyShop, including officers, employees and intermediaries acting on EasyShop's behalf. Every EasyShop officer and employee has a personal responsibility and duty to conduct EasyShop's business activities ethically and lawfully. Failure to meet that responsibility and duty may result in disciplinary action up to and including termination.

Prohibited improper payments under this policy include any form of bribery, secret commissions, excessive gifts or entertainment, or any other payment made or offered to obtain an improper business advantage. These payments should not be confused with legitimate, reasonable, and modest corporate gifts, business entertainment, or other activities that are directly related to EasyShop's business conduct.

EasyShop has developed a comprehensive program to implement this policy through guidance, training, investigation and oversight. Executive Management is responsible for the program overall and will be supported by regional implementation directors (the O-Team) and the general managers in each country. Executive Management is responsible for interpreting and applying this policy, providing supporting training and education, and responding to raised concerns.

U.S. Foreign Corrupt Practices Act compliance

The prohibition on bribery and other improper payments applies to all business activities but is especially important when government officials are involved. The U.S. Foreign Corrupt Practices Act and similar laws in other countries strictly prohibit improper payments to obtain business advantage and impose severe penalties for violations. The following summary is intended to provide basic familiarity to personnel involved in international activities so they can avoid inadvertent violations and recognize potential issues in time to address them properly.

Summary of the Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (FCPA) is a criminal statute that prohibits improper payments to government officials to influence the performance of their official duties. It is illegal for any U.S. company and its employees or agents to offer, promise, pay or authorize payment of anything of value to a foreign official—a term defined broadly—to help the company obtain business or any other improper business advantage. This prohibition applies to direct payments as well as payments made through a third party.

In addition to prohibiting improper payments to foreign officials, the FCPA requires U.S. companies and their controlled affiliates to keep accurate books and records of transactions they have engaged in and to maintain a system of internal accounting controls that, among other things, prevent "slush funds" and unrecorded accounts that could be used to facilitate or conceal questionable foreign payments. The FCPA accounting requirements apply to all business activities, not only those involving foreign officials.

Penalties for violating the FCPA are severe. For a company, sanctions can include multi-million dollar fines, disgorgement of profits derived from an improper payment, suspension of export privileges, or ineligibility to bid for U.S. government contracts. These penalties come in addition to potential reputational damage and the costs of investigation and legal defense, which can arise even without a government prosecution. Penalties for individuals can be even more severe, including substantial fines and imprisonment.

Frequently asked questions about the FCPA

When does the FCPA bribery prohibition apply?

The FCPA's bribery prohibition applies to improper payments made by a "U.S. person" anywhere in the world, regardless of any other connection to the United States. The term "U.S. person" includes U.S. companies as well as individuals who are U.S. citizens or lawful permanent residents. Foreign nationals can also be prosecuted for causing, directly or through a third party, any act in the United States that furthers a corrupt payment. This applies to all EasyShop employees and affiliates.

What does the FCPA prohibit?

The FCPA makes it illegal to bribe a foreign official to obtain an "improper business advantage." An improper business advantage can involve efforts to obtain or retain business, such as winning a government contract, but can also involve regulatory measures like obtaining licenses or approvals. Examples of prohibited regulatory bribery include paying a foreign official to ignore an applicable customs requirement or to expedite a tax refund.

The FCPA's bribery prohibition has been interpreted broadly. A violation can occur even if only an offer or promise of an improper payment is made (even if no payment is ever made), if a payment is made but does not achieve the expected result, or if the payment benefits a third party rather than the person who made the bribe (for example, generating business for another party). It makes no difference whether the foreign official solicited or demanded a bribe, or whether the company believes it is entitled to the governmental action. Although limited exceptions may apply (described later), one should never rely on them without seeking expert guidance.

Who is considered a "foreign official"?

For FCPA purposes, a "foreign official" is anyone who exercises government authority. This includes any official or employee of a government department or agency—executive, legislative or judicial—at the national, state or local level. It also includes officials and employees of government-owned or government-controlled entities, private individuals acting in an official capacity for a government, political parties and their candidates, and officials of public international organizations such as the United Nations.

A person's status as a foreign official will often be apparent, but not always. In some cases, individuals may not view themselves as officials or receive that treatment from their own governments yet still exercise authority that qualifies them as "foreign officials" for FCPA purposes. Personnel involved in international activities are responsible under this Policy to investigate whether a particular activity could involve a foreign official or a government-owned or -controlled entity, and should consult with Executive Management when questions arise about any individual's status.

What types of payments are prohibited?

The FCPA prohibits offering, promising, or delivering "anything of value" to foreign officials for the purpose of obtaining an improper business advantage. Beyond cash payments, "anything of value" may include:

- Gifts, entertainment or other business promotional activities.

- Paying or reimbursing an official's expenses.
- Offering jobs or other benefits to a foreign official's family or friends.
- Making contributions to political parties or candidates.
- Making charitable donations and sponsorships.

Less obvious forms of bribery also qualify as FCPA violations. Examples include in-kind contributions, investment opportunities, stock or joint business positions, and preferential or controlled subcontracting. The prohibition applies whether an item benefits the official directly or benefits another person such as a family member, friend or business partner.

Is there any permissible activity?

The FCPA does not prohibit reasonable promotional activities or other legitimate business activities, including bona fide charitable donations or sponsorships. However, special care must be taken when foreign officials are involved in such activities to avoid any appearance that benefits are being offered to improperly influence their official duties. Please contact Executive Management for guidance regarding foreign officials and (a) customary gifts, meals and entertainment; (b) promotional expenses such as travel and entertainment reimbursement; (c) contributions to political parties and candidates; and (d) charitable donations and sponsorships.

The FCPA also contains a limited exception for payments expressly authorized under the written law of the recipient country. However, this is a very narrow exception that requires approval from EasyShop Executive Management.

Can EasyShop be held responsible for improper payments made by third parties?

Yes. The FCPA applies whether a bribe is made directly or through an agent, consultant or other intermediary. Under the law, EasyShop and the individuals involved can be held liable for improper payments made by an agent or other intermediary if there is knowledge that a bribe would be paid. Willful blindness—including failing to conduct appropriate inquiry when circumstances are suspicious—does not constitute a valid defense, and it is not relevant whether the intermediary itself is subject to the FCPA. Therefore, all employees must remain alert to potential "red flags" in dealings with third parties.

Are there special accounting and recordkeeping requirements?

Under the FCPA, EasyShop and its affiliates must maintain accurate books and records that reasonably reflect transactions and disposition of assets, supported by an appropriate system of internal accounting controls. These requirements are implemented through EasyShop's standard accounting rules and procedures, which all personnel must follow without exception.

Special care should be taken with transactions that may involve payments to foreign officials. Unrecorded or off-book accounts must never be used. Facilitation payments and other payments to foreign officials must be promptly reported and properly recorded, including the purpose, amount and other relevant details. Requests for false invoices or payment of unusually large or inadequately described expenses should be rejected and reported immediately. Entries in EasyShop's books that are misleading, incomplete or false are unacceptable.

Do other countries have similar anti-bribery laws?

Yes. Many countries have laws similar to the U.S. FCPA that prohibit bribery of foreign officials by their citizens and companies, which may include local subsidiaries and affiliates or companies domiciled abroad. These laws are comparable to the FCPA but may differ in important respects. In addition, virtually every country has domestic laws that prohibit bribery of its public officials.

EasyShop requires that every employee and agent fully comply with applicable foreign laws and regulations. The laws that apply to particular international business activities include those of the countries in which the activities occur as well as those (such as the U.S. FCPA) that govern the international operations of domestic companies and citizens. Employees involved in international operations should consult counsel to ensure they are aware of and comply with applicable laws.

Working with agents and other third parties

Occasionally EasyShop may require the services of an agent, consultant or other intermediary to support its business activities, or may engage in joint ventures or other commercial arrangements with business partners. These relationships are important to EasyShop and provide valuable contributions in many areas of the business, but they can also present compliance challenges and therefore require appropriate measures to prevent bribery.

This policy substantially applies to business conducted with or through an agent, consultant, joint venture partner or other commercial partner. Employees who manage, supervise and/or monitor third party activities on behalf of EasyShop are responsible for ensuring such persons or entities understand and fully comply with this policy, by implementing appropriate measures. The appropriate measures for a given relationship or transaction may vary and should be identified according to established guidelines, in consultation with Executive Management.

Guidance for selecting and managing agents, consultants and other intermediaries, and for participating in joint ventures or consortia, may include (a) risk assessment, (b) third-party due diligence procedures, (c) bribery "red flag" checks, (d) necessary contractual provisions, (e) monitoring and audit, and (f) documentation.

Personnel working with an agent or other third party must pay particular attention to unusual or suspicious circumstances that may indicate legal or ethical problems—commonly called "red flags." The presence of red flags in a relationship or transaction requires heightened scrutiny and implementation of safeguards to prevent and detect improper conduct. Hiring an agent or other third party requires prior approval from an appropriate senior director, a written contract describing the nature and scope of services, and contractual assurances against potential violations of law or EasyShop policy.

Employee responsibilities

The policy imposes specific responsibilities and obligations on employees, which will be enforced through disciplinary measures and reflected appropriately in personnel evaluations.

All officers, employees and agents are responsible for understanding and complying with the policy as it relates to their roles. Each employee must:

- Familiarize themselves with the policy provisions relevant to their duties and communicate them to their subordinates.
- Seek guidance where the policy or required actions are unclear.
- Properly manage and monitor third-party business activities.
- Be alert to indicators or evidence of potential violations; and
- Promptly report any violations or potential violations through the appropriate channels.

EasyShop directors have a particular responsibility to ensure their subordinates, including agents, receive appropriate training and to monitor compliance with this policy.

Reporting suspected violations

Any employee who has reason to believe a violation of this policy has occurred or may occur must report that information to their supervisor, the next level manager, or Executive Management. As an alternative resource, employees may report confidentially by calling the U.S. hotline at (305) 592-5534 (Ext. 102). Retaliation of any kind against an employee who, in good faith, reports a violation or possible violation of this policy is strictly prohibited.

Employees who violate this policy will be subject to disciplinary action and may be terminated. Violations may also result in prosecution by law enforcement authorities and severe civil and criminal penalties.