

What are my ABC compliance obligations?

The following is a summary and reminder of the obligations set forth in the Partner Code of Conduct.

The Partner Code of Conduct states that you:

- Understand and comply with the Anti-Corruption Laws (U.S. Foreign Corrupt Practices Act, the UK Bribery Act, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business and other local anti-corruption or anti-bribery laws)
- Will never offer, promise, request, authorize or accept a bribe, directly or indirectly, for any reason
- Agree to maintain reasonable procedures, internal policies, controls and methods designed to ensure compliance with Anti-Corruption Laws
- Adopt a third party due diligence process for vetting third parties you engage in the context of Dell EMC business.
- Not work with any individual or entity that engages in or is suspected of engaging in bribes, kickbacks, fraud or other improper activities

What are the basic principles of the ABC laws?

- **US Foreign Corrupt Practices Act (1977) / UK Bribery Act 2010**
 - Purpose: to make it unlawful to make payments to foreign government officials to assist in obtaining business
 - Other laws: The U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act are just two examples of government legislation. More than 40 countries have adopted the [OECD Anti-Bribery Convention](#), which establishes legally binding standards to criminalize bribery of foreign public officials in international business transactions. The specifics of regulations vary by region and applicable laws
- **The Basics**
 - Do not give anything of value to a government official with the intent to obtain business. Don't accept bribes or kickbacks. Do not falsify accounting (keep clean books and records). Do not do business with third parties that do either of these things. Note that the UK Bribery Act and other laws also prohibit bribes to non-governmental parties

| | U.S. Foreign Corrupt Practices Act | UK Bribery Act 2010 |
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| Bribery | Bribery of non-US government officials is prohibited | Bribery of private individuals, corporations and any government official are prohibited |
| Accepting a bribe | Not an offense | It is an offense to receive or accept a bribe from anyone, public or private |
| Facilitation Payments | Not prohibited, but discouraged by the US | Prohibited |
| Statutory Defense | No specific defense articulated | One statutory defense – “adequate procedures” in place to prevent bribery from occurring |

What are the consequences if I violate these laws or the Dell EMC's Partner Code of Conduct?

- Dell EMC can enforce its contractual and legal rights including termination of our relationship with you
- Enforcement actions are often cross border, and fines and penalties can be in the billions
- In 2018, 16 companies paid a record \$2.89 billion to resolve FCPA cases. That includes amounts assessed in resolutions with the DOJ or SEC or both, and through DOJ declinations with disgorgement
 - There were three enforcement actions in the mega-case category -- Petrobras (\$1.78 billion), SocGen (\$585 million), and Panasonic (\$280 million). Petrobras and SocGen followed the new structure for global resolutions, with the DOJ and SEC assessing total penalties but allowing the companies to pay some of the penalties to enforcement agencies and regulators in other countries
- In 2017, 11 companies paid just over \$1.92 billion to resolve FCPA cases.

What are the basic elements of an ABC compliance program?

The elements of an effective compliance program are:

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| <i>Tone at the Top</i> | A commitment from senior management and a clearly articulated policy against corruption. |
| <i>Code of Conduct & Compliance Policies</i> | Policies and procedures detailing proper internal controls, auditing practices, documentation policies and disciplinary measures should be in place. |
| <i>Oversight, Autonomy and Resources</i> | Individuals in charge of oversight should have autonomy from management and should have sufficient resources to ensure the program is implemented correctly. |
| <i>Risk Assessment</i> | Companies should regularly analyze and address the specific risks they face. |
| <i>Training</i> | Companies should take the appropriate steps to ensure that the policies and procedures have been communicated effectively throughout the organization. |
| <i>Incentives and Disciplinary Measures</i> | Clear disciplinary procedures should be in place and the adherence to compliance policies and procedures should be incentivized throughout the company. |
| <i>Third-Party Due Diligence & Payments</i> | Third-parties should be assessed regularly and should be informed of the company's compliance program and code of conduct. |
| <i>Reporting</i> | Employees must be able to report violations without fear of retaliation. The compliance program and internal controls should be updated after an internal investigation. |
| <i>Testing and Review</i> | Compliance program should be reviewed and tested for effectiveness. |