



# Global Anti-Bribery Policy

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## A. Introduction

Power Corporation of Canada (“Power Corporation” or the “Corporation”) and its Board of Directors are committed to carrying out business worldwide ethically and in accordance with all applicable laws. This includes a prohibition on the use of corrupt and illegal practices, including bribery, to obtain or retain a commercial advantage. Many countries have anti-bribery and anti-corruption laws or are a party to international conventions dealing with combating bribery and corruption. These laws and conventions prohibit making (or offering to make) payments or providing (or offering to provide) goods or services of value, directly or indirectly, for the purpose of getting or retaining business or otherwise procuring a competitive advantage. Power Corporation will not tolerate corruption within the Corporation and its subsidiaries.

While local standards and practices as to what constitutes bribery may vary, Power Corporation’s policy can be summarized as follows: you may not provide (or offer to provide), directly or indirectly, anything of value to anyone to get business or retain business, to obtain a commercial advantage, or to receive favored treatment, anywhere in the world.

## B. Scope

This Policy is mandatory and applies to all directors, officers, and employees of Power Corporation, and any persons authorized to act on the Corporation’s behalf, such as third party agents, representatives, and temporary personnel (collectively, “Covered Persons”). Violations of this Policy may constitute violations of applicable anti-bribery and anti-corruption laws and may subject the Corporation and Covered Persons to serious penalties, including fines and even imprisonment.

Any questions regarding this Policy should be directed to the Vice-President and General Counsel.

## C. Prohibition on Giving or Accepting Bribes

Power Corporation is committed to carrying out its business worldwide ethically and without the use of bribery. Accordingly, Covered Persons are prohibited from offering, promising, giving, providing, or authorizing the provision of anything of value to obtain or retain business, an advantage, or favored treatment from anyone. This prohibition includes dealings with individuals and corporate entities, Public Officials (described below), candidates for public office, employees of state-owned enterprises, or any other person with whom the Corporation does or anticipates doing business. Similarly, Covered Persons are prohibited from soliciting, receiving, or authorizing the receipt of anything of value from anyone, including business partners and other third parties, doing business with or seeking to do business with the Corporation for the purpose of obtaining an advantage with the Corporation or having an influence over a Covered Person’s judgment.



Covered Persons are to refrain from any actions that create a perception that favorable treatment of outside entities or individuals was sought, received, or given in exchange for anything of value. Any Covered Person who offers, promises, gives, or authorizes giving anything of value to a third party, or who receives, accepts, or authorizes the acceptance of anything of value from a third party, must ensure that doing so is in compliance with this Policy and cannot reasonably be interpreted as an attempt to gain a business advantage, or otherwise reflect negatively on the Corporation.

The term “anything of value” is very broad. It includes not only obvious bribes and kickbacks (e.g., rebating a portion of a contract payment to third parties or using consulting agreements to funnel payments) but also indirect benefits, such as medical care, inappropriate gifts, educational assistance, unreasonable travel and entertainment expenses, and any financial or other advantage.

Even if bribes are a customary and accepted way of doing business in a particular country, the Corporation prohibits bribes under this Policy. A bribe does not have to be fully effectuated to be a violation of this Policy – offering a bribe that is never accepted, or never paid, is still a violation of this Policy.

#### **D. Public Officials**

While Covered Persons are prohibited from offering, promising, giving, or authorizing giving anything of value, whether directly or indirectly, to anyone to obtain or retain business, the risks of bribery are particularly acute when dealing with Public Officials.

The term “Public Official” is broad and includes any officer or employee of a government or any department, agency, or instrumentality thereof, or of a public international organization formed by two or more states. It includes any person acting in an official capacity for, or on behalf of, such person, or who performs public duties or functions. In addition, Public Officials include any (1) officer, employee, or person acting in an official capacity on behalf of a political party; (2) a candidate for political office; (3) an officer or employee of a state-owned or state-controlled company, regardless of the officer’s or employee’s rank or title; (4) uncompensated honorary officials who have influence in the award of business; (5) members of royal families; (6) any entity hired to review or accept bids for a government agency; (7) officials, whether elected or appointed or permanent or temporary, who hold a legislative, administrative, or judicial position of any kind in a country or territory; (8) any person who performs public functions in any branch of the national, local, or municipal governments of a country or territory or who exercises a public function for any public agency or public enterprise of such country or territory; and (9) spouses and family members of any of the persons listed above.

Under some laws, “facilitation payments” to a Public Official (who then uses the money for his own benefit) for the purpose of expediting or securing the performance of a routine non-discretionary governmental action, such as expediting licenses or scheduling (but not approving) inspections, may be permitted. However, they are prohibited under this Policy.



## E. Gifts and Hospitality

### (i) General Principles (applicable to both public and private sectors)

Building long-term relationships based on trust and mutual respect is at the core of the Corporation's business model, and the Corporation recognizes that accepting and providing hospitality (including meals, entertainment, accommodation, and travel) and gifts can be a normal part of business. This Policy does not prohibit hospitality and gifts to individuals in that context. However, all hospitality and gifts should be objectively "reasonable and proportionate", which will depend on the circumstances, including the circumstances of the recipient, and should be for a valid business purpose, such as presentation and promotion of products and services or to establish or improve relationships. If the nature of the hospitality or gift would likely affect the recipient's judgment, for example, in the context of an upcoming decision, approval, or contract award, then it should not be offered or accepted. Under no circumstances should gifts consist of cash or cash equivalent payments.

Hospitality and gifts should also only be provided when:

- it is legal and consistent with normal social or business customs in the recipient's country;
- it will not influence an upcoming decision, approval, or contract award;
- to your knowledge, it does not violate the recipient's policies and procedures;
- the cost is objectively reasonable, depending on the circumstances, including the circumstances of the recipient;
- the hospitality and gifts are not provided so frequently that, when aggregated, they become lavish or unreasonable; and
- it does not create a sense of obligation on the part of the recipient.

Where there is concern that hospitality may seem extravagant (*e.g.*, such as traveling on a private aircraft), prior approval should be sought from the Vice-President and General Counsel. Similarly, prior approval should also be sought for giving or receiving gifts valued at over \$150. Any questions or concerns regarding the appropriateness of any hospitality or gifts, irrespective of value, should be raised with the Vice-President and General Counsel.



(ii) Rules Specific to the Public Sector

Hospitality and gifts to Public Officials must be given special attention. What may be acceptable business practice in the private sector (such as travel to, and entertainment at, a vacation property) may not be acceptable when dealing with Public Officials. Again, hospitality and gifts must never be offered or provided in exchange for any advantage or favored treatment. Reasonable, bona fide hospitality to Public Officials, including, meals, business entertainment expenses, and gifts of modest value (generally, gifts less than \$150) are permissible based on compliance with the factors listed above. Where significant expenses would be incurred on Public Officials (such as providing air travel, extensive hospitality and accommodation, or gifts over \$150), prior approval should be sought from the Vice-President and General Counsel. Any questions or concerns regarding the appropriateness of any hospitality or gifts to Public Officials, irrespective of value, should be raised with the Vice-President and General Counsel.

(iii) Documentation

Documentation relating to inquiries or requests for approval of gifts or hospitality under this Policy (whether involving Public Officials or the private sector) shall be maintained by the Vice-President and General Counsel.

## **F. Political Contributions and Charitable Contributions**

The Corporation's money, assets, property, or other things of value may not be contributed, loaned, or made available to any foreign candidate, party, or political committee. While the Corporation may, from time to time, make charitable contributions, under no circumstances should charitable contributions be made in an attempt to influence any decision or obtain an advantage. Also, the Corporation is prohibited from making contributions to a charity owned or controlled by a Public Official.

## **G. Agents, Consultants and Other Third Parties**

Should the Corporation engage agents, consultants, or other third parties (collectively, "Agents") to act on its behalf, the Corporation will take appropriate measures to ensure Agents are familiar with, understand, and abide by this Policy. Such measures shall include documenting the relationship between the Corporation and the Agent with a written agreement containing risk-based provisions prohibiting the Agent from violating this Policy and any other applicable anti-bribery and anti-corruption laws and regulations. The Corporation will conduct risk-based anti-bribery and anti-corruption due diligence prior to engaging the Agent. All payments made to or on behalf of an Agent, or by an Agent on behalf of the Corporation, must be properly documented and accurately recorded in the Corporation's books and records.



## H. Books and Records

The Corporation will maintain books and records that accurately reflect the Corporation's transactions, use of the Corporation's assets, and other similar information, and a reasonable system of internal controls. Covered Persons must ensure that (1) all gifts, hospitality, and other expenses are properly reported and recorded, (2) any payments made on behalf of the Corporation are supported by appropriate documentation, (3) no payments to third parties are made in cash, unless pursuant to proper petty cash disbursements, and (4) no Covered Person shall create or help to create any documents for the purpose of concealing any improper activity. In reviewing and approving expenses, or in the review of the Corporation's books and records, any questions which may arise in connection with this Policy shall be brought to the attention of the Vice-President and General Counsel.

## I. Mandatory Reporting

The success of this Policy in preventing bribery relies on the diligence and commitment of all Covered Persons. Covered Persons must immediately report any suspected violations of this Policy to the Vice-President and General Counsel. The Vice-President and General Counsel will maintain a log of all inquiries and suspected violations in connection with this Policy. Any suspected violation shall be investigated and, where appropriate, remedial action taken. The Vice-President and General Counsel will retain all such reports and shall report suspected violations to the Audit Committee. Alternatively, in any case, the violation or potential violation may be reported to the Chairman, or one of the Co-Chief Executive Officers, or any member of the Audit Committee, as appropriate.

## J. Training and Certification

The Vice-President and General Counsel will establish and conduct a suitable risk-based training program to help effectuate the compliance goals of this Policy, and will maintain records documenting the date and content of the training and names of attendees. In addition, all the appropriate personnel of the Corporation will be required to sign annual certifications of compliance with this Policy. The Vice-President and General Counsel will review this Policy and its effectiveness at least annually, and will revise and update this Policy, as necessary. The Vice-President and General Counsel will also report on the Policy and its effectiveness, at least annually, to the Audit Committee.



### **K. Safeguards Against Retaliation**

The Corporation will take no adverse action against Covered Persons who report violations of this Policy honestly and in good faith.

### **L. Corporate Acquisitions, Joint Ventures, and Other Transactions**

Prior to the Corporation entering into certain agreements with other business enterprises (e.g., corporate acquisitions, joint ventures, and other transactions), the Corporation will perform risk-based anti-bribery and anti-corruption due diligence on the potential acquisition or transaction as a part of the Corporation's standard due diligence procedures.

### **M. Compliance**

An individual who violates this Policy may face disciplinary action up to and including termination of his or her office or employment with the Corporation without notice.

If you have any questions regarding (1) this Policy, (2) the scope and reach of the anti-bribery and anti-corruption laws, (3) whether a particular payment or gift would run afoul of this Policy, or (4) anything else, please contact the Vice-President and General Counsel.

Approved by the Board of Directors on March 13, 2013.