



Foreign Corrupt Practices Act (FCPA) *General Training*

After completing this training, you should have an understanding of the following topics:

- An overview of the anti-bribery landscape
- The Foreign Corrupt Practices Act (U.S. Law)
- Importance of accurate recordkeeping and internal controls
- Importance of understanding third party requirements
- Your obligations
- How to report a concern

OUR COMMITMENT

MTS takes a firm stance against corruption and bribery. We are subject to a variety of international anti-corruption and bribery laws across the globe. We are committed to the highest standards of ethical conduct by complying with these laws everywhere we do business.

Foreign Corrupt Practices Act

An Overview of the Anti-Bribery Landscape



Bribery is a problem that exists across the world and affects the global economy. Increasingly, countries around the world have enacted laws to send a message that bribery and other forms of corruption will not be tolerated.

Acts of bribery can drive up the cost of doing business throughout much of the world because bribes that are paid eventually make their way into the total cost of goods and services, distorting the marketplace and creating uneven playing fields on a global scale.

**Bribery and
Corruption can:**



- Create unfair competition
- Give rise to inferior products and services
- Erode public trust
- Promote violation of laws, such as workplace safety, the environment and child labor – to name just a few.

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An Overview of the Anti-Bribery Landscape



Legislation

Given the potential for these negative affects, countries around the world have enacted laws to prohibit bribery and corruption. There is much at stake for companies that violate these laws, including:

- Substantial fines and even long terms of imprisonment for individuals
- Suspension or debarment from government contracting
- Damage to a company's reputation, business relationships and continued success

The Foreign Corrupt Practices Act (FCPA)

The FCPA is the name of the United States law that addresses anti-bribery and anti-corruption. The FCPA scope and applicability is broad. The content of the FCPA laws and regulations must be observed by all MTS employees at all locations.

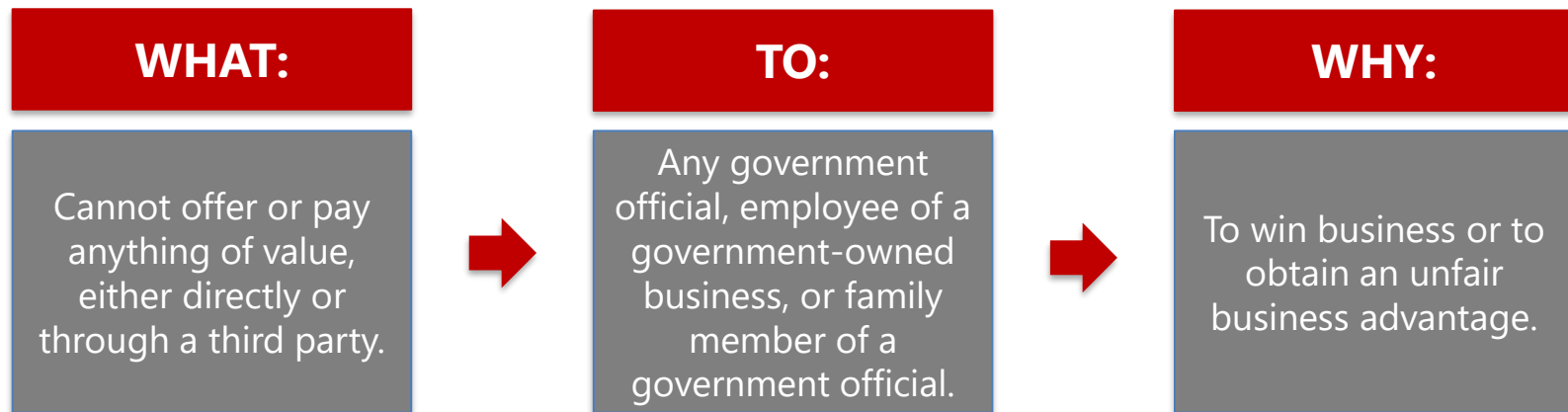
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What is it?



What is the FCPA?

The FCPA is the law in the United States that addresses bribery and corruption. FCPA prohibits MTS employees and anyone who conducts business on our behalf from offering corrupt payments or anything of value to a government official in order to obtain/retain business or gain an undue business advantage.



UK Anti Bribery Act of 2010

The UK Anti Bribery Act of 2010 is additional anti-bribery legislation broadly applying to any company that operates within the UK. This is in addition to, not replacing, FCPA legislation.

Local Laws & Regulations

Local laws and regulations apply in each country in which MTS conducts business.

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Understanding the Law



Understanding key terminology will help you better understand – and comply – with MTS FCPA policy and the anti-bribery laws everywhere we operate. The key terms are listed below.

Bribe

Corrupt Intent

Government
Official

Undue Business
Advantage

Bribe

A bribe has a broader definition than just a cash payment. If something is offered in exchange for obtaining or retaining business, gaining an unfair advantage or causing someone to do something improper, it is likely to be considered a bribe.

Remember, a bribe is illegal, no matter how small.

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What is a Bribe?



A bribe is illegal, no matter how small

Offering 'anything of value' is a bribe.
A bribe has a broader definition than just a cash payment.



Cash
A Pricing Discount
A Bonus
Kickback



Offered indirectly
*Such as a scholarship
to a family member of
a government official*



Gifts
Gift Certificate
Gift Cards
Charity Contributions
Political Contributions



Entertainment, such as:
Concert tickets
Sporting event tickets
A trip



A Favor, such as the use of materials, or equipment, use of facilities, a loan, or promise of a job.

Anything used to
gain an unfair
business advantage
is considered a
bribe.



Hospitality that is unreasonable, excessive or does not support a legitimate business purpose. Hospitality includes items such as meals, drinks, travel, lodging, or transportation.

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Understanding the Law



Corrupt Intent

It doesn't matter if an offer made is accepted or not; simply making an offer with the intent to wrongfully influence a government official would be a violation of the law. Being instructed by someone else to make an offer does not relieve you of your responsibility.

Government Official

This is a broad definition - know who you are working with. A government official is anyone acting in an official capacity for a non-U.S. government or public international organization. Examples include:

- Member of the armed services
- Doctor at a state-owned hospital
- Person hired to review bids on behalf of a government agency
- Member of a royal family who manages a government-owned industry
- Employee of a state-owned or state-controlled utilities company
- Immigration official
- Customs agency official

Undue Business Advantage

We, as MTS employees, cannot act in the ways listed below in exchange for payment or anything of value, such as obtaining or retaining business and having an undue advantage. These are examples of improper actions under anti-bribery law because

- Side-stepping export or import rules or regulations
- Granting an exception to a regulation
- Doing something improper to influence the procurement process
- Giving someone access to nonpublic bid information
- Influencing the outcome of a lawsuit or enforcement action

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Accurate Record Keeping & Internal Controls



Rule: Requires individuals and businesses to keep accurate and complete records of the transactions in which they engage.

To Comply: MTS must maintain books and records that accurately reflect the transactions of the corporation.

Rule: Prohibits individuals and businesses from knowingly failing to implement internal controls.

To Comply: MTS must maintain a system of internal accounting controls to ensure accurate reporting of transactions and safeguarding of assets.



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Accurate Record Keeping & Internal Controls



Accurate Record Keeping

- ✓ Keep accurate records of any payments made or received, and of all other significant transactions.
- ✓ Include within your records an appropriate level of detail, such as stating the business purpose for the transaction, dollar amount, entities or individual involved, etc.
- ✓ Include adequate supporting documents.
- ✓ Ensure all funds and accounts are disclosed and recorded.

Internal Controls

- ✓ Comply with MTS internal controls to ensure all payments are honestly described and MTS company funds are not used for unlawful purposes.
- ✓ Obtain necessary approvals on transactions
- ✓ Account for all assets.
- ✓ Incorporate prevent and detect controls, as applicable.

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Accurate Record Keeping & Internal Controls



Examples:

Travel & Entertainment

- ✓ Include proper descriptions (account / project codes, dollar amount, business purpose, entities/individuals involved, etc.) in expense reports.
- ✓ Include supporting documentation / receipts in expense report submissions.

Management Approvals

- ✓ Obtain management approval on the use of sales discounts
- ✓ Obtain your managers approval on expense reimbursement reports

Sponsorships

- ✓ Do not sponsor state-owned institutions (i.e., universities) that involve foreign officials
- ✓ Do not incur expenses appearing to be lavish in nature, with the intent to win or retain business.

Import / Export

- ✓ Do not pay customs officials for the purpose of expediting the import/export of goods.
- ✓ Do not pay government agency officials for the purpose of securing expedited or false import/export licenses or permits

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Third Parties



Your Are Responsible

In addition to our own actions, we can be held liable for the acts of our agents, consultants, resellers, and other business partners. That is why it is critical you understand the anti-bribery business practices required at MTS.

Due Diligence

MTS ensures all business partners with which we do business:

- ✓ Don't have a reputation for – or history of – illegal or corrupt behavior.
- ✓ Know they must conduct business in compliance with Foreign Corrupt Practice Act Compliance Policy.
- ✓ Ensure contracts are clear about the work to be done and the need to conduct business in a lawful manner.
- ✓ Escalate to the Office of Risk and Compliance if you have any concerns that might suggest an act of bribery.

According to the DOJ and SEC, a large percentage of all FCPA enforcement actions have involved improper conduct by third parties when acting on behalf of the respective company.

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Third Parties



Red Flags

We, as MTS employees, have a responsibility to know and comply with the law, MTS policies and procedures. When looking to work with a new third party, be alert to statements such as:

- “This is the way we do business in this country.”
- “This payment does not require approval.”
- “I have a connection to someone in the government who can help us.”
- “Our policy is to use a bank outside of our country.”
- “My company has a special arrangement with an official.”
- “A political contribution might speed things along.”

If it sounds suspicious, dishonest or contrary to the law, it probably is! Reach out to the Office of Risk and Compliance if you encounter this type of situation.

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Your Obligations



MTS takes a firm stance against corruption and bribery, regardless of impact on business performance. This applies to all of us, regardless of where we work and regardless of local customs.

In your everyday work at MTS, you have an obligation to:

- ✓ Read and understand anti-bribery MTS policies and procedures.
- ✓ Consistently execute your work in alignment with these MTS policies and procedures.
- ✓ Seek guidance from the Office of Risk and Compliance at [MTS Risk & Compliance@mts.com](mailto:MTS_Risk_&_Compliance@mts.com) and report concerns using the reporting options available.

FCPA Policy ORC-010
Supporting ORC-010 Procedures

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How to Report a Concern



How To Seek Guidance or Report a Concern



Talk to the Office of Risk and Compliance, or your Supervisor, or HR



Email the Office of Risk and Compliance at mts_risk_and_compliance@mts.com



Visit MTS AlertLine - <https://alertline.com>



Call the AlertLine* Number 888-321-5562 (Regional phone numbers listed in Code)



Reports to the AlertLine have the option to be made anonymously.

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Summary



Now that you have completed this training, remember:

- ✓ Do not bribe directly or indirectly to a government official for an improper purpose
- ✓ Keep accurate records
- ✓ Ensure due diligence has happened before entering business with a new third party
- ✓ Reach out to the Office of Risk and Compliance with questions
- ✓ Report concerns