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Anti-Corruption and Bribery Policy

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Purpose/Executive Summary

This policy establishes Cisco's global standards regarding the prevention of corruption. If local laws or regulations have stricter requirements, these supersede the requirements stated in this policy.

Overview

Corruption violates the public's trust, threatens economic and social development, and hurts fair trade. To combat corruption, most countries have enacted anti-corruption/anti-bribery laws and regulations. These laws make it a crime to give, pay or promise "anything of value" (bribes) to:

- influence an act or a decision to obtain, retain and/or direct business, or
- secure an improper advantage of any kind.

It is also a crime to accept "anything of value" (bribes) in these circumstances.

Cisco Systems, Inc. and its affiliated entities worldwide (Cisco) are committed to doing business with integrity and the highest anti-corruption standards. All Cisco employees, partners and suppliers are expected to conduct themselves with honesty, fairness and high ethical standards, as well as abide by all anti-corruption/bribery laws and avoid even the perception of impropriety or a conflict of interest.

Scope

The policy applies to the entire Cisco workforce, operations, subsidiaries and affiliates, in terms of all dealings and transactions in all countries where Cisco operates. The entire Cisco workforce, including others acting on behalf of Cisco, are required to read, understand, and abide by this policy. In addition, Cisco managers are required to enforce the policy and ensure that people and entities for which they are responsible understand and adhere to this policy.

Compliance Effective Date

This Anti-Corruption and Bribery policy is effective as of June 8th, 2014.

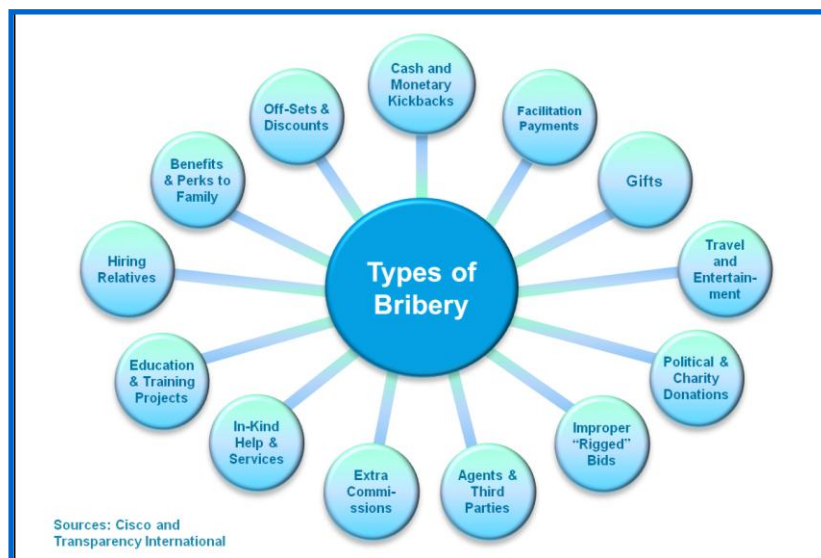
Policy Statement

In alignment with laws around the world, we at Cisco do not promise, offer, give or authorize, directly or indirectly, a bribe or anything of value to anyone – including any government official/employee, representative of a government-owned or controlled entity, a private person, or employee of any business – to improperly influence any act or decision to obtain or retain business, or to secure any improper advantage for Cisco.

What is a Bribe?

A bribe is not just cash in an envelope passed under a table. International laws and Cisco policy define a bribe as "anything of value" such as: gift cards, home repairs, tickets to a theater or sporting event, guest passes to a private club, a no-bid contract, a summer job for a teenage family member, free limo/courtesy car service rides, and more.

Just offering a bribe is a violation, even if the transfer does not occur.



Third Parties cannot Bribe for Cisco

Third parties (also called “intermediaries”) cannot be used to try to hide bribery. Suppliers, agents, consultants, distributors, and business partners cannot offer or receive a bribe related to working for Cisco or on Cisco’s behalf. Please see [Appendix B – Third Parties and Due Diligence](#)

For additional information, [Appendix A – Anti-Corruption Checklist](#) contains some questions to consider before making or authorizing any payment or benefit that may be covered by anti-corruption laws and this policy. If you have any questions, it is your responsibility to contact your manager or ethics@cisco.com.

Gifts and Entertainment

In many countries, gifts play an important role in business protocols and customs. However, when given inappropriately, gifts may violate one or more laws. Therefore, the laws and Cisco policies must be followed.

In addition to the Code of Business Conduct (COBC) section about [Gifts and Entertainment standards](#), Cisco has a detailed [Gifts and Entertainment Policy](#). These governing documents note that gifts need to be:

- Legal
- Within policy limits (for the giver and receiver)
- Reasonable, appropriate and in good faith
- Transparent and documented
- Occasional
- Not cash or a cash equivalent
- Never given or accepted if something is expected in return

Certain business hospitalities (such as meals and entertainment) are permitted without pre-approval if they are properly documented (paid for using a corporate credit card and done within policy limits). However, pre-approval is required if policy limits are to be exceeded. For more information see the [Gifts and Entertainment Policy](#).

Travel and Lodging

From time to time, guests are invited to visit Cisco's facilities or events sponsored by Cisco. Cisco permits the payment of certain travel and accommodations expenses for business guests in accordance with travel, expense and public sector policies if:

- It is for legitimate business purposes
- It is reasonable given the guest's level or seniority
- Attendance at business activities is mandatory
- No friends or family members of the invitee are traveling at Cisco's expense
- No unreasonable side trips are planned
- No per diem cash is provided

If a third party, such as a partner, vendor or consultant pays for Travel and Lodging on behalf of Cisco, the above policies still apply.

For further information please reference the Global Travel Policy <insert link>.

Approval and Disclosure Required

The Legal Compliance team provides an online disclosure tool for Gifts, Travel and Entertainment [Gift, Travel and Entertainment Tracking Tool](#). Employees must use this tool to disclose and obtain approval for any gift, travel, or entertainment offered to third parties, when the value of the offering is above the policy thresholds listed in the [Gifts and Entertainment Policy](#). If the employee does not disclose and receive approval for the gift, travel, or entertainment offering, he or she will not be reimbursed for the expenses and disciplinary action.

Employees can also contact the Legal Compliance Team at legalcompliance@cisco.com with any questions or concerns about gifts and entertainment.

Facilitation Payments

Some multi-country anti-corruption conventions [such as the Organization for Economic Cooperation and Development (OECD Convention)] and many country laws (UK, Canada, Brazil, etc.) forbid facilitation payments as a type of bribery. Cisco employees must abide by local laws and never make grease payments in those countries.

Currently in the U.S., certain facilitation payments are allowed under the U.S. Foreign Corrupt Practice Act (FCPA) if they are not intended to affect the outcome of a government decision.

Given the varying legal criteria around the world, Cisco employees and representatives are required to say "No" if requested to make a facilitation payment. If there is any reasonable alternative for securing the required routine governmental service or if any expected delay can be reasonably accommodated, the facilitation payment may not be made.

What is a Facilitation Payment?

A "facilitation payment" is a payment to a government official designed to secure or speed up a routine government action, such as: processing a visa, scheduling an inspection, securing mail pick-up or delivery, or getting utilities connected. This is sometimes described as "*greasing the wheels*" or "*grease payments*."

Limited Exceptions – A facilitation payment must only be paid as a final resort and with approval by

Cisco Legal if:

- there is no alternative and the expected delay will have a significant impact on the business
- it is in a country or situations in which such payments are customary and not expressly prohibited by law
- the amount is modest given the facts and circumstances of the situation

If personal safety, security or freedom of movement is at risk, a facilitation payment may be made and then reported to Legal after the fact.

Any facilitation payments must be accurately described and documented in the appropriate accounting books and records as “facilitation payments.”

Charitable and Political Contributions

While donations to charitable organizations ordinarily are regarded as good corporate citizenship, those made to organizations in which government officials possess a role, such as trustee, cause concerns under international anti-corruption laws. Similarly, the FCPA and the U.S. authorities have taken the position that a donation made to a charity associated with a government official is considered a benefit for that official. Any donation made to a charity associated with a government official must be in accordance with the [Charitable Donations Policy](#).

Political parties and candidates are considered government officials. Therefore, no political contributions can be offered or made on behalf of Cisco, unless pre-approved by Cisco Government Affairs. Political contributions can include:

- monetary items
- non-monetary items (such as loaned or donated equipment, free technology services, or a donation of an employee's time)
- use of corporate resources (such as: facilities, email, stationery, personnel time)
 - Accordingly, no assets, including time at work, use of Cisco premises or equipment, or direct monetary payments, may be contributed to a political candidate, political action committee, or to support or oppose a ballot measure without the written permission of Cisco Government Affairs.

Employees may participate in political activities on an individual basis, with their own money and on their own time. Cisco will not reimburse any personal political contributions. Note: Under U.S. election laws, some employees may be required to obtain pre-approval via Cisco's [U.S. Political Contribution Tool](#) before making certain kinds of campaign contributions. See Cisco's [U.S. Public Sector Ethics Code](#) for more information.

Books and Records

To prevent bribery from being hidden by incomplete or false documentation, many anti-corruption laws have criteria for books, records and internal financial controls. Cisco is required to keep books and records that accurately and completely reflect the company's transactions and assets.

The requirement includes forms required for processing payments, attachments and backup used to justify payment requests, and authorizations and classifications of payments by accounting codes. No undisclosed or unrecorded company funds – such as “*off the books*” accounts – will be established for any purpose.

For information on proper record retention, refer to Cisco's Record Management Process: http://wwwin.cisco.com/process/bes/iso/record_mgmt.shtml.

Employees are Responsible

Training – The online [Global Anti-Corruption training](#) is required for Cisco employees working in certain functions such as Sales, Marketing, Services, Legal and Finance. However, all employees are encouraged to take this training.

Penalties – Violations or the perception of violations of anti-corruption laws can cause criminal, civil and regulatory penalties including fines and/or jail, as well as damage the reputation of Cisco and its employees. If an employee violates anti-corruption laws or this policy can result disciplinary actions, including termination of employment.

Questions, Concerns or Reporting Potential Violations – Employees who see something suspicious are required to say something, even if it is their manager or other superior who may be violating the policy. Please see [Appendix C – Warning Signs of Bribery](#) help identify potential suspicious activities. When employees are contacted by Legal or the Ethics Office, they have an obligation to cooperate with investigations into ethical misconduct. Failure to cooperate and provide honest, truthful information could result in disciplinary action.

Cisco will not tolerate retaliation against anyone who, in good faith, reports a concern or cooperates with a compliance investigation. Managers or other employees who retaliate against any other employee will be subject to disciplinary action, up to and including termination. Any suspected retaliation should be reported immediately.

They are several confidential and anonymous ways to voice concerns or report violations, which are listed on the [“Voice Your Concerns”](#) web page.

Policy Compliance

2.1 Compliance Measurement

Compliance with the Anti-Corruption and Bribery Policy will be measured using monitoring of the iExpense and Gift Tracking systems.

Compliance with Cisco policies is required. Compliance to this policy is verified through various methods, including but not limited to, reports from available business tools, internal and external audits, self-assessment, and/or feedback to the policy owner.

2.2 Exceptions

Any exceptions to the Anti-Corruption and Bribery policy must be approved by the Ethics and Integrity Office.

2.3 Non-Compliance

Compliance with Cisco policies is required. Deviations or non-compliance with this policy, including attempts to circumvent the stated policy/process by bypassing or knowingly manipulating the process, system, or data may result in disciplinary actions, up to and including termination, as allowed by local laws.

Related Policies and Processes

- [Code of Business Conduct](#)
- [Gifts and Entertainment Policy](#)
- [U.S. Public Sector Ethics Code](#)
 - [Public Sector Gifts and Hospitality Guidelines](#)
- [Travel Expense Policy](#) (not mention in body of policy?) Correct—but it is still related. Do you prefer we remove it?
- [Charitable Donations Policy](#)
- [Global Expense Policy](#) (not mention in body of policy?)

Supporting Documents

- The appendices listed below can be found here:
<http://wwwin.cisco.com/legal/gac/appendices.shtml#FAQ>
- Frequently Asked Questions (Appendix A)
- Cisco's Anti-Corruption Checklist and FAQ's (Appendix B)
- Cisco's Third Party Due Diligence Process (Appendix C)
- Warning Signs of Bribery (Appendix D)

Definitions

The following terms and definitions are used in this document:

Anything of Value	<p>Any form of benefit, which includes, but is not limited to:</p> <ul style="list-style-type: none"> • Cash or cash equivalents, loans, gifts or prizes • Employment offers or promises of future employment (to an individual or any of his/her relatives) • Favorable terms on a product or service or product discounts • Entertainment/hospitality (payment of travel, hotel, meals, living expenses, or costs of trips or resort stays) • Use of vehicles or vacation homes • Discounted or free tickets to events • Services, personal favors, or home improvements • Political or charitable donations • Opportunity to buy direct shares ("friends and family shares") in a company with a connection to Cisco
Bribe/Bribery	<p>Directly or indirectly giving or offering anything of value for the purpose of obtaining or retaining business, to win a business advantage, or to influence a decision regarding Cisco.</p> <p>This includes bribes related to: obtaining licenses or regulatory approvals, preventing negative government actions, reducing taxes, avoiding duties or custom fees, or blocking a competitor from bidding on business.</p>

Government Official	<ul style="list-style-type: none"> • An officer or employee (regardless of rank) of: <ul style="list-style-type: none"> ○ any national, provincial, regional or local government agency or department including: schools, universities, healthcare facilities, police agencies, military entities, customs officials, local tax officials, issuers of government permits, approvals or licenses, and immigration officials ○ any government owned/controlled company or commercial entity (such as government-owned telecommunications company or airline) ○ public (quasi-governmental) international organization (such as the United Nations, World Bank, International Monetary Fund, International Olympic Committee, African Union, etc.) • A political candidate, party or any officer or employee of a political party • Any private person acting in an official capacity for or on behalf of any government or public international organization (such as an official advisor to the government or a consultant responsible for making procurement recommendations to a government)
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Approvals

Organization	Name
Compliance Systems	Jeremy Wilson
Compliance Systems	Roxane Marenberg
Global Business Services	Amy Kwan

The record of approval is located at the following link:

http://wwwin-eng.cisco.com/cgi-bin/edcs/edcs_info?EDCS-1122054

Revision History

Date	Name or Userid	Modifications Made