

ANTI-CORRUPTION Compliance Guidelines



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Table of Contents

Introduction General Standards How This Guide is Organized PGESCo's Anti-Corruption Policy

How Our Anti-Corruption Policy Applies

Gifts and Business Courtesies

What We Mean by "Gifts"

Analyzing Gifts: The Four Key Questions

Key Question 1: Is the purpose of the gift proper?

Key Question 2: Could the purpose of the gift appear improper?

Key Question 3: Does the gift violate any of the recipient's policies or the law?

Key Question 4: Does the gift violate any PGESCo policy? Accepting

Gifts

What to do if offered an improper gift

Use of Third Parties or Intermediaries

Facilitating Payments

If You Are Asked To Make an Improper Payment

Other Considerations

Record Keeping

Personal Physical Security Exception

Frequently Asked Questions

Anti-Corruption Laws and PGESCo Policy

Facilitating Payments

Joint Venture Partners and Agents

Record Keeping

When and How to Report Violations

Violations of our Anti-Compliance Policy

How to Report Violations

Introduction

This guide has been written to help you comply with laws prohibiting public and commercial bribery and corruption. It provides general rules for complying with anti-corruption laws. It also gives practical examples of situations where corruption and bribery might take place and alerts you to instances where extra caution should be used. There is currently a heightened awareness of the need for ethical and transparent behavior, and this serves to reinforce the values we have always believed in. In the words of the Vice President of the Egyptian High Court of Appeals,

“One of the ... most significant lessons learned from the (revolution of 25 January) is the fact that the victims of corruption are not only those who are deprived of their rights The corruptors themselves are also the victims of their corruption.”
(Judge Ashraf al-Baroudi, VP of the High Court of Appeals)

Finally, because this guide is not a substitute for expert advice, it identifies additional resources and expertise available to you. You never have to guess.



When in doubt,
Don't do it. Ask for help.

The anti-corruption rules are complex, and the pressure to ignore them can be great. But PGESCo's values require strict adherence to these laws and, because the consequences for violations are so severe, enforcement is rigorous.

PGESCo counts on every one of us to conduct our business the right way to ensure our continued success.

General Standards

At PGESCo, uncompromising integrity, honesty, and fairness are at the heart of our company. We achieve success through the excellence of our people and the quality and value of our products and services. Corruption directly conflicts with these values. There is no place for it in our business, and we do not tolerate it.

Corruption, whether in a private, commercial setting or in dealings with government, occurs when someone in a position of trust or authority misuses that position in exchange for personal gain, usually received in the form of a bribe or favor.

We all can understand how such incidents occur. Business is fast paced and competitive. In some countries, government workers are paid low wages and may even have paid a bribe to get their jobs in the first place. Their ability to collect “grease” payments may actually be viewed as a traditional employment benefit. Nonetheless, such payments are corrupt. They are almost always illegal under local law and they violate PGESCo policy.

From time to time, an individual employee might be tempted to agree to demands for improper payments to meet a business objective—particularly when the demand is for a relatively small amount and the requestor is standing in the way of something the company is already entitled to receive—such as electrical service or customs clearance. But such payments often open the door for additional requests that may be more serious. Once a payment is made, it is virtually impossible to avoid making follow-on payments for the same or similar services. The result is a culture of corruption and a marketplace of products and services based, not on what is the best for the end user, but on personal self-interest. In the end, we are left with unfair competition, inferior products and services, and other serious problems. Such payments are, therefore, improper.


Because corruption can be widespread and its effects are so damaging, almost all countries have passed or are in the process of passing laws against it. Some anti-corruption laws focus on bribery of government officials, but the prohibitions described in this guide apply to improper payments to private individuals—commercial bribery—as well. As expected, penalties and punishment for corruption are severe, both for companies and individual offenders, alike.

While corruption is easy to define, identifying actual corruption, or what may or may not be a bribe, can be difficult. Each culture has its own euphemisms designed to make petty corruption sound innocuous or less odious. There are countless ingenious ways to hide or disguise bribes, making detection difficult. For this reason, we all have a responsibility to educate ourselves to recognize and protect against corruption in our business dealings.

How This Guide is Organized

The following sections summarize PGESCo's anti-corruption policy, how that policy applies in specific situations, practical guidance on how to determine which actions are permitted and which are not, when additional guidance should be sought, and the penalties for non-compliance. In addition, at the end of the guide, there is a section with frequently asked questions. These questions and answers are augmented as new issues occur, so if you are reading a printed copy of this guide, you should check the electronic version on PGESCo Server for additional examples and guidance.

This guide does not address every possible scenario that might contain an anti-corruption issue. Nor does it substitute for expert advice. To assist you when issues get difficult, practical resources have been identified for you.

While we cannot cover every possible situation in this guide, we can tell you what to do when  you are unsure whether something is permitted:

When in doubt,
Don't do it. Ask for help...

- From your supervisor or manager
- From the PGESCo Compliance Committee
- OR, by contacting the PGESCo Ethics HelpLine at ethics@PGESCo.com

PGESCo's Anti-Corruption Policy

PGESCo is committed to full compliance with all applicable domestic and international anti-bribery and corruption laws, regulations, and national laws implementing international conventions that prohibit, either directly or indirectly, paying, promising to pay, authorizing a payment, offering, promising to give, or authorizing the giving of anything of value to any government official, or requesting, demanding or accepting anything of value from any government official, in order to (i) influence any act or decision of such government official in his official capacity; (ii) inducing such government official to do or omit to do any act in violation of the lawful duty of such official; (iii) obtaining or retaining business; (iv) securing any improper advantage; or (v) inducing such government official to use his influence with the Government or instrumentality thereof to affect or influence any act or decision of the Government or such instrumentality.

PGESCo policy prohibits making facilitating payments, that is, payments to secure performance of routine government actions.

PGESCo does not condone or tolerate engaging in or not reporting behavior that violates, or has the potential to violate, the standards set forth in the laws of the Arab Republic of Egypt, or any other applicable anti-bribery laws and regulations.

Compliance is a key underpinning to maintaining confidence in our company and our reputation as a premier company for engineering, and power generation services. Corrupt actions do not help PGESCo, our customers, or the people who benefit from our work.

Put simply, PGESCo does not pay or accept bribes of any amount to or from anyone.

Specific laws and regulations in Egypt apply to the services frequently performed by PGESCo for our governmental and quasi-governmental clients.

- Law 89/1998 and the Executive Regulation regulate the system for public procurement and contain a number of procedures that must be followed. These aim at enhancing fairness, transparency, and competition in this field.

What is a Government Official

The term Government Official includes:

- Employees of a national or local government,
- Employees of governmental agencies or departments, as well as their spouses and other family members
- Anyone treated as a government official under the law (this usually includes a third-party consultant or project manager retained by a government or government official to represent the interest of the government)
- Employees of organizations owned or controlled by the government
- Employees of companies that are government-owned, or partially government-owned, or controlled by the government
- Candidates for political office
- Political parties
- Public international organizations, including lending institutions such as the World Bank or the European Investment Bank.
- Anyone acting on behalf or for the benefit of one of the above individuals.

How Our Anti-Corruption Policy Applies

Gifts and Business Courtesies What We Mean by “Gifts” Analyzing Gifts: The Four Key Questions

Key Question 1: Is the purpose of the gift proper? Key Question 2: Could the purpose of the gift appear improper? Key Question 3: Does the gift violate any of the recipient’s policies or the law? Key Question 4: Does the gift violate any PGESCo policy?

Accepting Gifts Use of Third Party Intermediaries Facilitating Payments Charitable Contributions

Gifts and Business Courtesies

What We Mean by “Gifts”

Throughout this guide, you will see the term “gifts.” The term means anything of value, and includes the following:

- Cash or cash equivalents, such as gift certificates or stock
- Loans
- Tangible and intangible items
- Forgiveness or guarantees of loans or other obligations
- Meals, entertainment, or other business courtesies
- Tickets to events
- Lodging
- Use of any PGESCo facility, property, or service
- Transportation

When we use the term “gift,” we mean not only the actual act of giving something of value to another; it also refers to any offer of a gift or promise to give a gift in the future. When in doubt, apply the broadest possible meaning to the term. The prohibitions apply both to a giver and to a receiver of gifts.

Analyzing Gifts: The Four Key Questions

Not all gifts and business courtesies are prohibited by PGESCo’s anti-corruption rules and policies. Gifts, entertainment, and other business courtesies are commonly offered to create goodwill and strengthen working relationships. In many cultures, offering or giving gifts or other courtesies of reasonably minimal value is a normal, expected, and customary part of doing business. Nonetheless, care must be taken to make sure that they do not give rise to the reasonable perception that they are being offered for the purpose of gaining an unfair business advantage.

We approach the issue of whether a particular gift is permitted under PGESCo’s anti-corruption policy by asking four key questions:

- 1 Is the purpose of the gift proper?
- 2 Could the purpose of the gift appear improper?
- 3 Does the gift violate any of the recipient’s policies or any of the laws referenced in this Policy?
- 4 Does the gift violate PGESCo policy?

Each question is addressed in a separate section. At first glance, the questions may appear simple, but answering them correctly requires careful analysis of all of the required information in order to form a determination as to whether a proposed action is permissible.

Analyzing Gifts: The Four Key Questions

Key Question 1: Is the purpose of the gift proper?

IF NO:



IF YES:

Proceed to Key Question 2.

PGESCo wants all of our customers, whether they are commercial entities, government-owned enterprises, or governments, to judge us and award us business solely upon merit: the quality of the engineering and power generation services we provide.

Our business relationships are built on the mutual trust that runs between our customers and us, and the reputation we have in our dealings with third parties whom we are engaged to manage. Thus, our customers trust PGESCo to provide excellence in knowledge, skill, experience, and customer commitment to every job, and we trust our customers to make the business decision to hire PGESCo based solely on the excellent quality and reliable, successful outcomes we deliver.

If we offer or give inappropriate gifts or business courtesies to an employee or representative of a customer in connection with our business dealings, we run the risk that the trust relationship could become distorted. This can happen if the person receiving the gift becomes tempted to make business decisions based on his or her own personal desire to receive the item being offered or given, rather than making those decisions in the best interests of the customer. In such instances, trust fails and the relationship becomes tainted by impropriety. These are the situations that anti-corruption laws and company policies are intended to prevent.

Anti-corruption rules and policies do not prohibit the giving of all gifts or business courtesies. Reasonable and limited expenditures for appropriate gifts or business courtesies, such as providing a business meal while working, are helpful in building business relationships and do not improperly affect them. In many cultures, offering or giving gifts or other courtesies is a normal, expected, and customary part of doing business.

The ultimate answer to Key Question 1 depends on what we intend to achieve by giving the gift or what the offeror intends to achieve by offering it. If the gift is being given as a normal

business courtesy, without any intent to influence the recipient's decision making or to create an unfair business advantage for PGESCo, the gift may be permissible, provided the standards set forth in Key Questions 2, 3, and 4 are also met.

If, however, the gift is being given to obtain or retain business or an advantage in the conduct of business, to influence the recipient's decision making, or to gain an unfair business advantage for PGESCo, then the intent behind the gift is improper and it is prohibited.

Demonstrating Proper Intent through Transparency:

All business transactions must be fully and accurately accounted for in our books and records. This is one of the most important ways in which corruption is prevented. Most anti-corruption laws make the maintenance of accurate business records a mandatory legal requirement.

The following are examples of gifts that are always unacceptable and are prohibited outright by PGESCo Policy:

- Any gift of cash or cash equivalent, including gift certificates, discounts, loans, stock, or stock options
- Any gift or entertainment that may imply an obligation to the donor or that may be considered excessive
- Any gift or entertainment that is a quid pro quo (offered for something in return)
- Any "secret" or "disguised" gift

Analyzing Gifts: The Four Key Questions

Key Question 2: Could the purpose of the gift appear improper?

IF YES:

IF NO:

Proceed to Key Question 3.

Even if we do not actually intend to offer or give a gift or business courtesy for an improper purpose, or if we do not intend to receive a gift or business courtesy for an improper purpose, the type of gift, manner of giving it, timing, or other factors can create an appearance that the gift or business courtesy is improper. We must always consider and be aware of how the offer or gift would appear to an objective observer who was not involved in the transaction.

If there is a reasonable possibility that an objective observer would believe that the offer or gift was being made to influence the recipient's decision making or to gain an unfair business advantage for PGESCo, an appearance of impropriety exists. Therefore, offering, giving, or receiving the gift or business courtesy is prohibited.

Typically, the purpose may appear improper because of the nature of or circumstances surrounding the gift. Consider the following when determining whether a gift may appear improper:

Value: A gift that is disproportionate in value with respect to either the recipient or the circumstances in which it is given creates the appearance of impropriety. Because there is no specific formula for determining what value is disproportionate, this is an area where you must observe caution.

Gifts of Nominal Value: In most circumstances, gifts of nominal value do not create an appearance of impropriety. While there is no magic number that is considered nominal, if the gift is small enough that it is unlikely to improperly influence the recipient, it is most likely allowable. Examples of gifts of nominal value include flowers, a fruit basket, a promotional item, or a small memento.

Timing: Offering or giving gifts at or near the time the recipient is making a decision that involves PGESCo's business interests often creates an appearance of impropriety. Use special caution and seek advice from your supervisor, the PGESCo Compliance Committee, or the Ethics HelpLine.

Frequency: Gift upon gift to the same recipient could lead an independent bystander to conclude that the purpose of the serial gifting is improper. Frequent gifts and entertainment can create the appearance of impropriety even where any one of the individual gifts would not raise such questions. With the exception of nominal gifts of logo items, repeated gifts of any sort given to the same recipient should be avoided.

Manner: Gifts given openly and with transparency (as described above) are unlikely to create an appearance of impropriety. By contrast, secret, disguised, or unrecorded gifts almost always create an appearance of impropriety.

Gifts to Government Employees or Receipt of Gifts:

In many jurisdictions, the giving of gifts or business courtesies to government officials or employees and acceptance of gifts or business courtesies by such officials or employees is strictly regulated because it is seen as one of the most obvious forms of bribery—especially when it occurs in connection with a current or potential business transaction or regulatory event. For this reason, such gifts or business courtesies are particularly susceptible to the risk of appearing improper, even when no impropriety is intended by the donor.

We must never give a government official any gift or business courtesy for the purpose of influencing the official in his or her capacity as a public official. Similarly, we must not accept any gift or business courtesy intended to influence our actions or decisions.

PGESCo employees must be particularly careful to make sure that any gift or business courtesy they give to a government employee or accept from anyone complies with all applicable laws, rules, and regulations. Never offer or accept a business courtesy unless you are confident that the recipient or giver is allowed to accept or give the gift under the rules applicable to his or her organization.

Key Question 3: Does the gift violate any of the recipient's policies or the law?

IF YES:

IF NO:

Proceed to **Key Question 4**.

PGESCo's customers include a wide array of commercial and governmental entities. The general rule against corruption applies equally to all of our customers: We do not give anything of value to anyone for an improper purpose.

But, because corruption is a particular problem when it comes to dealings with government officials, different and stricter rules apply to them than apply to commercial customers. Moreover, certain specific anti-corruption rules in Egypt apply to regulate the behavior of PGESCo's customary Ministry and government agency clients.

Because each of these categories of potential recipients has different laws, regulations, and policies that apply to gifts, even if a gift is given with the proper intent (Key Question 1) and has no appearance of impropriety (Key Question 2), it nevertheless may be impermissible under the particular rules that apply to the recipient and/or the laws of the jurisdictions that apply to the transaction. To make this decision, we must first accurately identify the recipient.

The Commercial Customer: Under anti-corruption laws, non-government customers (here, commercial customers) are defined as those who are entirely in the private sector. No part of their ownership or control is exercised by any governmental entity. Few legislated rules dictate the nature or value of gifts to commercial customers, and commercial customers are generally freer to accept gifts than their government counterparts as long as the gifts are not for an improper purpose. However, this is an evolving area and, for example, the United Nations Convention Against Corruption recommends that signatory countries implement laws regulating this area.

Even so, many private enterprises have adopted gift policies that determine whether a

commercial customer is allowed to accept a gift offered by PGESCo. For example, many companies place a dollar limit on gifts that their employees may accept. Before offering a gift to a commercial customer, make sure you know about any such policy or company prohibition. Many of these policies are publicly available on the companies' websites. It is your responsibility to make yourself aware of any restrictions and to comply with them. The Government Customer: PGESCo's customers are often agencies or departments of the government of Egypt, such as the Ministry of Electricity and Energy or its production companies. Very strict and complicated laws and policies apply to dealings with government officials. Keep in Mind:

- Recipients may have their own internal gift rules and guidelines that prohibit or limit the acceptance of such gifts —be aware of them to avoid embarrassing others.
- Government employees are often bound by strict guidelines as to what they can receive. Know these rules to avoid situations that can create misunderstandings.
- Some laws prohibit any government employees from accepting either money or things of value, including gifts.

If you are considering giving a gift to any official of a government, seek advice in advance from PGESCo Compliance Committee, or the Ethics HelpLine.

Key Question 4: Does the gift violate PGESCo policy?

IF YES:

IF NO:

The Gift is Allowed.

Even if a gift is given with proper intent, carries no appearance of impropriety, and complies with laws, rules, and regulations applicable to the recipient, it still must satisfy PGESCo policy before it can be given. Certain kinds of gifts require advance consultation, approval or concurrence from the appropriate PGESCo manager. Because the rules which regulate this area are subject to change, it is essential that you consult and seek approval before making or offering any such gift.

Consultation and Approval Requirements

Before offering any gifts, entertainment or other hospitality, meals, travel expenses, or charitable donations to a government official, seek advice from the PGESCo Compliance Committee, or the Ethics Helpline.

Political Contributions and Activities: PGESCo requires advance approval of the General Manager prior to making any political contributions. And, of course, any costs incurred in connection with them must be strictly and properly accounted for.

- Notify the PGESCo General Manager of any inquiries or visits to or from any government official or political candidate.
- Ensure that any corporate or project contributions, political events, and use of company time or resources for political purposes are approved by the PGESCo General Manager.

Considered Gifts: In addition to prohibiting the types of gifts listed in the discussion of Key Question 1, PGESCo prohibits any gift or entertainment that is in poor taste, indecent, sexually oriented, inconsistent with PGESCo's value of mutual respect, or that might reflect poorly on PGESCo.

Facilitating Payments: As previously mentioned, any gift made in exchange for the performance of a routine action by a government official is a "facilitating payment" and is strictly prohibited by PGESCo policy.

Accepting Gifts

Most of us are aware of the need for caution in “offering gifts” to avoid the risk of inadvertently violating anti-corruption laws and conventions, but we must also be careful when considering whether to accept a gift. While it is true that most global and local anti-corruption laws make the act of bribery unlawful, some laws also make it illegal to accept a bribe or improper payment.

Gifts, entertainment, and other business courtesies are commonly offered to create goodwill and strengthen working relationships, but care must be taken to ensure that they create neither actual conflicts of interest or divided loyalty, nor the appearance of an improper attempt to influence our business decisions.

Although we may generally accept modest, unsolicited business courtesies (other than cash), recognize that most business courtesies offered in the course of our employment are offered because of our position at PGESCO; as such, they are the property of PGESCO, and we should not feel entitled to accept and keep them for our personal use.

Any gift or business courtesy that could appear to be excessive or lavish or that could create a feeling of obligation to the donor is unacceptable. Such gifts could be perceived as bribes and damage PGESCO’s reputation or even break the law.

Employees who award contracts or can influence the allocation of business, who create specifications that result in the placement of business, or who participate in negotiating contracts must never award or influence the allocation of business which will have the effect of providing a benefit to him or herself personally, whether directly or indirectly, and must be particularly careful to avoid actions that create the appearance of favoritism or that could adversely affect our reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier or contractor when PGESCO is involved in selecting or reconfirming an award or contract under circumstances that could create an impression that offering courtesies is the way to obtain PGESCO business.

What to do if you are offered an improper gift:

If you are offered a gift that you know is unacceptable under PGESCO policy, you cannot accept the gift. This is true even if you know that the offer was made with no corrupt intention. You can politely decline the gift and explain that you are obligated to follow PGESCO’s policy regarding the acceptance of business courtesies. But what should you do if you are offered an unacceptable gift by a customer or business associate under circumstances where you believe it would be insulting to the donor to decline the gift?

First, politely make every effort to decline. If the person persists and you feel certain that refusal would cause insult or embarrassment to the donor, you should politely accept the gift but promptly report it to your manager. Management, in consultation with the PGESCO Compliance Committee, will determine the proper disposition.

This exception to the normal rule does not apply to a gift of cash or a cash equivalent, such as a gift certificate, bank check, money order, investment security, or negotiable instrument. Such gifts must be refused when offered.

Gifts that are Always Unacceptable

- Gifts or entertainment from parties engaged in a proposal or competitive bidding process

- Gifts of cash or cash equivalent (such as gift certificates, discounts, loans, stock, stock options)
- Gifts or entertainment that is quid pro quo (offered for something in return) or that could give rise to the perception that it is quid pro quo or that could create a feeling of obligation to the donor
- Entertainment that is indecent, sexually oriented, does not comply with PGESCo's value of mutual respect, or might otherwise adversely affect PGESCo's reputation
- Gifts or entertainment that you would not feel comfortable discussing with your manager or reading about on the front page of the newspaper

As a company, we recognize that often the rejection of an inappropriate gift may be awkward or culturally embarrassing, but this should not prevent our employees from declining an inappropriate gift. It takes determination and clarity of thought to take the correct action, but it is this thoughtfulness and adherence to our belief in ethical conduct which distinguishes us from others, and upon which our reputation is built.

Never accept a gift of cash or cash equivalent, such as a gift certificate, bank check, money order, investment security, or negotiable instrument, under any circumstances.

Use of Third Parties or Intermediaries

Anti-corruption rules do not distinguish between acts performed by PGESCo and acts performed by others either hired to assist in PGESCo's business activities or who represents companies and other third parties in dealings with PGESCo. Prohibitions that apply to PGESCo employees and other third parties, such as contractors, apply equally to all individuals and entities who act on our or their behalf. This ensures that companies do not skirt the law by funneling or accepting corrupt or improper payments through third parties or intermediaries.

Typical third parties or intermediaries used in business dealings may include:

- Consultants
- Agents
- Custom clearing agents
- Sales agents or sales consultants
- Suppliers
- Subcontractors
- Partners
- Joint venture or consortium partners
- Freight forwarders
- Attorneys
- Lobbyists
- Financial advisors

The law thus obligates us to be aware of all activities of third parties or intermediaries who perform PGESCo-related business or with whom PGESCo deals. Our obligations start with a duty to be careful in our initial selection of any third party or intermediary to represent PGESCo or transact business on the company's behalf as well as how we act towards or with third parties including contractors and their representatives. We then have a continuing duty to properly supervise all such third parties or intermediaries as they perform PGESCo-related activities to prevent misconduct. Similarly, we must be vigilant in terms of how we act with third parties who act on behalf of our counterparties. Upon any indication of misconduct, we have a duty to respond appropriately by reporting the misconduct as soon as possible.

Be alert to the potential for a violation of anti-corruption rules or laws where third parties or intermediaries are involved in the transaction. If an agent or consultant suggests making a payment, or demands or offers or promises a payment, that appears improper or unusual, investigate. Decline to accept or agree to make the payment if the offer or request is in any way questionable. Beware especially of requests for:

- Unusually large sums
- Cash
- Payments for which there is inadequate documentation
- "Rush" or "last minute" payments

- Unexpected commission payments
- Payments to be made in the name of individuals or entities other than those named in the relevant PGESCO purchase order or agreement
- Payments to accounts in countries other than the one in which we are transacting business

Facilitating Payments

As is the case in many countries, government officials in Egypt or other country may expect or even demand small payments to perform their official or routine duties in a timely way or simply to perform their required duties at all. Typically, demands for such payments come from officials performing public safety, postal, harbor master, tax collection, regulatory, or licensing or permitting functions; from officials who process visas or other government papers; or from those who control the movement of goods across borders.

These payments are called “baksheesh” or “kousa” in Arabic and “facilitating payments” or “grease payments,” in English. They cover any payments made in exchange for routine action. Facilitating payments are strictly prohibited by PGESCO. **Facilitating payments are a form of corruption, and most countries, including Egypt, forbid them by law.**

Nonetheless, many officials may expect or demand facilitating payments as a normal part of doing business, even though they are illegal. As a result, you may feel pressure to make such payments to accomplish your PGESCO job. Do not make them. Additionally:

- Beware of requests, hints, or insinuations by any government official for any kind of payment in cash, even relatively small sums. Cash payments are prohibited.
- Beware of requests for unusual payments, such as unforeseen taxes, permit fees, or expediting charges, especially while government officials appear to be delaying obligatory or ministerial action. These are likely disguised facilitating payments.
- Never succumb to local custom, pressure, or the argument that “that’s just the way business is done here.” Gifts that conform to local custom can still violate applicable anti-corruption laws.
- Never make any payments without supporting documents, invoices, or receipts that fully and accurately describe the type and purpose of the payment.
- Never allow any business partner or third party to make facilitating payments on PGESCO’s behalf.
- Never use personal funds to make a facilitating payment.

If you encounter a problem with demands for facilitating payments, contact your manager, or the PGESCO Compliance Committee. They will help you find a solution that does not require making facilitating payments.

Facilitating payments, or “baksheesh” are strictly prohibited by PGESCO policy.

If You Are Asked to Make or Given or Offered An Improper Payment

Most of the discussion so far has been about what to do to make sure that you understand PGESCo's anti-corruption policy and applicable anti-corruption laws and conventions so that you don't inadvertently offer or give, or accept a payment or thing of value that is improper. But what do you do when you are faced with a request from a commercial or government employee for an improper payment or thing of value — or even an outright demand that you pay a bribe, or are offered by a commercial employee an improper payment or thing of value — or an outright bribe?



When in doubt,
Don't do it. Ask for help...

- From the PGESCo Compliance Committee
- OR, by contacting the PGESCo Ethics HelpLine at ethics@PGESCo.com

What to Do If You Are Asked to Make or Offered or Given An Improper Payment

Immediate Response

- Seek guidance from the PGESCo Compliance Committee.
- If you are unable to seek guidance before responding, then:
 - Politely refuse the first request or the offer and explain that PGESCo's business principles do not allow such giving or accepting anything of value.
 - If the request is repeated, explain that for you to make or accept such a thing of value would violate PGESCo policy and could violate applicable laws.
 - Explain that any request to make or offer to accept a thing of value must be made in writing and must be reported by you to PGESCo management.

Follow-up Action: Document and Report the Situation Internally

- Make a record of the request or offer.
- Immediately report the incident to the PGESCo Compliance Committee, who can determine the best course of action.

Other Considerations

Record Keeping Personal Physical Security Exception

Frequently Asked Questions

Anti-Corruption Laws and PGESCo Policy Facilitating Payments Joint Venture
Partners and Agents Record Keeping When and How to Report Violations

Violations of These Guidelines

How to Report Violations

Record Keeping

Virtually all anti-corruption laws require companies and individuals to maintain accurate and complete books and records in the ordinary course of business. Falsifying records, attempting to conceal a transaction, or otherwise failing to accurately and fully record a transaction or expenditure violates PGESCo policy. It is impermissible for you to:

- Maintain any “off the books” accounts
- Mischaracterize any transaction
- Improperly record any transaction
- Provide less than complete information or explanation for a transaction
- Fail to maintain complete and accurate records

Personal Physical Security Exception

Anti-corruption laws, while very important, never take precedence over personal safety or security. If your personal safety or that of another is ever at risk and payment is demanded in exchange for that safety, pay. PGESCo authorizes you to make any payment necessary to secure your physical safety or that of another. Report the situation and your response as soon as possible.

This is a rare and extraordinary exception to these rules and can never be employed simply to evade anti-corruption obligations. This exception does not apply to extortion or threats of property damage.

Frequently Asked Questions

Anti-Corruption Laws and PGESCo Policy

Q. Why is compliance with anti-corruption laws so important?

A. Compliance is a key underpinning to maintaining confidence in our company and our reputation as a leading engineering and power generation services company in the area. Corrupt actions do not help PGESCo, our clients, or the people who benefit from our work. A violation may subject PGESCo and PGESCo employees to criminal or civil liability, or both, including imprisonment and substantial penalties and fines.

Q. What should I do if I face an anti-corruption issue?

A. If you think you have an issue (e.g., you are approached to make a payment, provide a thing of value, reimburse hospitality expenses, or offered any of the above etc., or become aware that others have done so), do not try to resolve the issue yourself. Seek guidance from the PGESCo Compliance Committee, to ensure that appropriate actions are taken and documented. You can also seek guidance from, or anonymously report concerns about questionable conduct to, the Ethics Helpline.

Facilitating Payments

Q. What is a facilitating payment?

A. In many jurisdictions it is the local custom to make small payments to expedite the routine actions of lower level ministerial employees. These payments are sometimes referred to as “grease” or “facilitating” payments. All facilitating payments are prohibited by PGESCo policy.

Q. Who typically requests such payments?

A. These requests may come from any number of government officials, such as customs agents, tax collectors, harbor masters, permitting authorities, mail carriers, and police officers, all with regard to the performance of services that they are in any event required to perform as a consequence of their position.

Q. Why are these requests problematic?

A. Facilitating or expediting payments are illegal in almost every country. In addition, once a payment is made, it is virtually impossible to avoid making follow-on payments for the same service.

Q. Can we be held responsible for the actions of our subcontractors?

A. Potentially yes. As an example, we could be exposed if we have reason to know or should have reason to know that our customs clearance company has engaged in this type of proscribed activity in the past. In such event, we need to take steps to ensure that the contractor understands that such behavior is not tolerated with respect to our projects.

Record Keeping

Q. What do I do if I become aware that any PGESCo records are not being accurately

maintained?

- A. Immediately report the matter to your supervisor and the PGESCo Compliance Committee.

When and How to Report Violations of our Anti-Corruption Policy

- Q. I understand I have an obligation to report anti-corruption violations, but what if I'm not sure about the facts or don't have enough information to conclude that a violation has occurred?
 - A. We all have the responsibility to ask questions if we are concerned that the PGESCo standards of conduct are not being met. Talk to PGESCo's Compliance Committee, or call the Ethics HelpLine. He can help you determine whether there is an ethics or compliance issue that should be reported.
- Q. Can I get in trouble for reporting a suspected anti-corruption violation to the Ethics HelpLine if it turns out I was mistaken or my allegation is not substantiated by the investigation?
 - A. No. There is never a penalty for contacting the Ethics HelpLine in good faith. PGESCo investigates all allegations of retaliation and takes appropriate corrective action if retaliation is found to have occurred.
- Q. Will I find out what happened when the company investigated my report?
 - A. You will be informed of the outcome when the investigation is completed if you identify yourself. If you have reported the matter anonymously, you can call the Ethics HelpLine later to learn the outcome of the investigation. However, due to privacy considerations, the company may not provide you with certain information or details of disciplinary action taken.

Violations of These Guidelines

Violations of these anti-corruption guidelines are taken very seriously and may be grounds for termination or other disciplinary action for any employee who:

- Authorizes or participates in a violation
- Improperly or negligently supervises a person who commits a violation
- Fails to report a violation or withholds relevant information
- Fails to cooperate in any investigation
- Attempts to retaliate against an employee who reports a suspected violation

How to Report Violations

PGESCo depends on you to report violations or potential violations of these anti-corruption guidelines so that the company can take appropriate action to address any issues. Several different channels of reporting are available, depending on the issue, including:

- PGESCo's Compliance Committee
- The PGESCo Ethics HelpLine

The Ethics HelpLine may be contacted in any of the following ways:

- By e-mail to: ethics@PGESCo.com
- By telephone: The Ethics HelpLine is answered from 8:00 a.m. – 4:00 p.m. Sunday – Thursday. A confidential voicemail box will record a message if the line is busy or if the contact occurs after business hours. (Note: Caller ID is not used on Ethics HelpLine telephone numbers.)