



TELETECH POLICY ON COMPLIANCE WITH FOREIGN CORRUPT PRACTICES ACT

TeleTech prohibits the bribery or improper influencing of government officials in the conduct of its business, whether in the United States or any foreign country. To implement this policy with respect to foreign government officials, we require all employees to comply with the U.S. Foreign Corrupt Practices Act ("FCPA"). Briefly, the FCPA prohibits the making or offering of anything of value to a foreign official to induce that official to affect any governmental act or decision to assist us in obtaining or retaining business. A violation of this policy by any TeleTech personnel constitutes grounds for termination of employment or other appropriate employment action, including reporting suspected violations of the FCPA to federal authorities.

1. **FCPA Prohibitions.** The FCPA's foreign payment provisions specifically prohibit:
 - a. The payment, offer, authorization or promise to pay;
 - b. To any foreign official, or to any person while knowing that all or a portion of such money or thing of value will be offered, given, or promised, directly or indirectly, to any foreign official;
 - c. By TeleTech or any officer, director, employee, agent or stockholder action on behalf of TeleTech, or U.S. citizens, nationals, or residents;
 - d. With a corrupt motive; and
 - e. In order to assist in obtaining retaining business for or to any person.

The above statutory provisions from the FCPA have only rarely been interpreted by the Courts and by the Government's process for issuing advisory opinions on the Act's proper interpretation. As a result, it is essential that we adopt a conservative interpretation of the Act and its prohibitions to reduce the risk that conduct will be found at a later date to have violated the FCPA.

2. **FCPA Exception and Affirmative Defenses.** The FCPA provides for an exception and certain, limited defenses to liability under the Act when specific types of gifts, payments or other things of value are provided to foreign government officials.

- a. **Payments For Facilitating Routine Governmental Action.** Payments to a foreign government official, political party or party official for the purpose of expediting or securing the performance of a routine governmental action are not a violation of the FCPA. To qualify for this exception, however, the facilitating payment must be:

- Modest in amount;
- Be made to secure a routine governmental action which in no way involves the exercise of discretion by the government official as to whether TeleTech will be awarded new work or will retain existing work, or otherwise obtain favorable treatment with respect to TeleTech's performance of future or current work;
- Involves the following types of routine governmental action or similar actions ordinarily and commonly performed by a foreign government official in--
 - obtaining permits, licenses or other official documents to qualify a person to do business in the country;
 - providing police protection, mail services; inspection services in relation to contract performance or product shipments;



- providing phone services, power and water supply, loading and unloading cargo.

b. Actions Permitted by Written, Local Laws and Regulations of Foreign Country.

Payments, gifts or providing things of value to a foreign official may be permitted if the payment, gift or thing of value is permitted by the *written* laws or regulations of the official's country. Note that the payment, gift or delivery of thing of value must be expressly permitted by the written laws or regulations of the country; the fact that a payment or gift is not prohibited by the official's country does *not* qualify it for this defense to FCPA liability.

c. Reasonable and Bona fide Expenditures Related to Promotion of Products or Contract Performance. Payments, gifts or providing things of value *may* be permitted in the form of *reasonable and bona fide* expenditures, such as travel and lodging expenses, incurred by or on behalf of a foreign official, when such expenses are directly related to (i) the promotion, demonstration or explanation of TeleTech's products or services; and (ii) the execution or performance of a contract with the foreign government or foreign governmental agency.

3. Compliance Guidelines. In adhering to TeleTech's FCPA Compliance Policy on compliance with the FCPA, all TeleTech personnel must adhere to the following guidelines:

a. **Payments of Money.** *We strongly discourage* payments of money, in any amount, directly or indirectly, to any foreign government official, even if the payment of such money technically may comply with the terms of the FCPA (e.g., facilitating payments for routine governmental actions). ***Any payments of money, in any amounts, must be pre-approved in writing by TeleTech's Chief Financial Officer, General Counsel and VP of Compliance prior to any payments being made to a foreign official.***

b. **Gifts.** The giving of gifts to a foreign official by TeleTech personnel is permitted within the following guidelines.

(i) Gifts should be of no more than nominal value.

(ii) Gifts to foreign officials must be consistent with local laws of the foreign country and the guidelines of the official's government agency or department.

(iii) Gifts should be customary in type and value in the host country and appropriate for the occasion.

(1) A type of gift that is a customary and symbolic gift exchanged between business partners or in return for hospitality is less likely to be viewed as being given for a corrupt intent even if it approaches the threshold of nominal value.

(2) A \$100 diner in New York City is likely to be viewed differently than a \$100 dinner in a lower cost location. The salary of the foreign official and the general prevailing living standards must be considered.

(3) The "New York Times" test. The typical public appearance test in corporate ethical codes is a useful sanity check to avoid even the appearance of impropriety. Under this test, the relevant question is: "Would the action embarrass TeleTech if the action were revealed to the media?"

(iv) Gifts generally should be given openly, rather than secretly or in one-on-one exchanges between the foreign official and TeleTech personnel.



(v) The value of all gifts given (as well as the payment of any money or the providing of anything of value) should be accurately recorded in TeleTech's books and records.

(vi) Promotional gifts are the most appropriate category of gifts.

(1) A gift of appropriate value that demonstrates or promotes the company's products and services, such as an item bearing TeleTech's logo, is most appropriate. Note that the item should be of nominal value; the presence of a company logo on an otherwise inappropriate gift, does not render such a gift appropriate.

(2) There should be a close correlation or connection between the gift given and the promotional purpose, e.g., a print or lithograph depicting a new call center location opened in the foreign country.

(vii) ***All TeleTech personnel must receive the written approval of TeleTech's Chief Financial Officer, General Counsel and VP of Compliance prior to giving any gift to a foreign official that does not bear the Company's logo and the value of which exceeds \$100.00.***

c. **Business Entertainment, Travel, Meals and Lodging Expenses.** Expenses for business entertainment, travel, meals, and lodging ("Expenses"), incurred on behalf or paid to a foreign official, must be unequivocally reasonable in amount and for a bona fide business purpose. In addition, the following guidelines apply:

(i) Payment of such Expenses must be permitted under local law and customer regulations and guidelines.

(ii) The Expenses must be in line with local customs and practices.

(iii) Expenses for spouses or parties otherwise related to the foreign official are strongly discouraged and should not be incurred absent circumstances strongly supporting the reasonableness of the costs and the bona fide business purpose of the expense.

(iv) TeleTech should not pay any foreign official a per diem. Instead, for permissible expenses, TeleTech should make direct payment arrangements with the service providers. If for some reason a per diem is required, the foreign official should not be provided with a lump sum amount, the actual amount provided should be reasonable, and receipts are required.

(v) TeleTech's books and records must reflect accurately the nature and bona fide business purpose of the expenses, the service providers receiving payment for the expenses, and the identities of the participants.

(vi) ***All TeleTech personnel must receive the written approval of TeleTech's Chief Financial Officer, General Counsel and VP of Compliance prior to paying for any Expenses for any foreign official which individually or in the aggregate exceed a value of \$50.00.***