

# Global Anti-Corruption Policy

Amended and Restated August 2017



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# I. OVERVIEW

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## A. POLICY STATEMENT

Corruption<sup>1</sup> violates the public trust, threatens economic and social development, and impedes fair trade. To combat corruption, most of the countries in which MetLife conducts business have enacted anti-corruption laws and regulations that criminalize corrupt behavior. To comply with these laws and regulations and, above all, to maintain MetLife's global commitment to conduct business fairly, honestly, and openly, MetLife has adopted a zero tolerance policy towards all forms of Bribery and Corruption, whether committed by MetLife Employees or by a Third Party acting for or on behalf of MetLife. Simply put, Bribery and Corruption are never acceptable.

MetLife strictly prohibits Bribery or Corruption in business dealings in both the private and public sectors. MetLife Employees must never offer or accept Anything of Value to improperly influence any act/decision/transaction or obtain an advantage on behalf of MetLife. Our Global Anti-Corruption Policy sets forth guidelines and procedures designed to mitigate Bribery and Corruption risks; promote integrity, transparency, and "doing the right thing" as an integral part of our corporate culture; and advance our reputation for trustworthiness throughout the world.

MetLife and its Employees may be held responsible for the improper conduct of a Third Party even if the Company is unaware of the wrongdoing. Employees must not ignore or be willfully blind to activity or information that suggests a bribe has or is likely to be made through a Third Party. Employees also must take reasonable steps to ensure that MetLife's business partners and Third Parties understand that MetLife expects them to act with the highest standards of honesty and integrity in any activity or business dealing engaged in on behalf of MetLife.

Employees should immediately notify the Global Anti-Corruption Unit if they know of or even suspect any situation involving Bribery or Corruption. Employees should consult the Global Anti-Corruption Unit ([anti-corruption@metlife.com](mailto:anti-corruption@metlife.com)), or their Local Ethics & Compliance Officer, if there is doubt about whether a particular activity is permitted.

### Attention

Exceptions to this policy can only be granted in writing by the Global Anti-Corruption Unit.

Questions concerning this policy should be directed to the Global Anti-Corruption Unit at [anti-corruption@metlife.com](mailto:anti-corruption@metlife.com). All communications will be treated as confidential.

## B. WHAT ARE BRIBERY AND CORRUPTION?

Corruption is any activity that involves the abuse of position or power to gain an improper personal or business advantage, whether in the public or private sector.

Consistent with international anti-corruption laws and regulations, MetLife broadly defines Bribery as improperly influencing an individual or Entity in any way to gain, or appear to gain, a benefit. This includes directly or indirectly (through a Third Party) offering or accepting Anything of

### Example

International anti-corruption laws are broad. Therefore, it is important to understand that situations which may not appear to involve Bribery may very well do so. For example, paying "fees" to a broker for vague services never performed in return for steering business to an insurer may be viewed as Bribery.

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<sup>1</sup> The capitalized terms in this policy are defined in Section XV.

Value to (i) influence a person or Entity to improperly engage in an act, omission, or decision in the performance of some official, public, or business-related function; or (ii) secure an Improper Advantage in order to obtain, retain, or direct business.

When considering whether something falls under this policy's definition of Bribery, it may help to ask the following questions:

- Has Anything of Value been offered to an external party (including a Third Party, customer, or prospective customer) to influence a decision or improperly obtain an advantage on behalf of MetLife?
- Has a Third Party offered Anything of Value to anyone at MetLife in order to improperly influence the performance of a MetLife job duty or a Company decision?

These questions reflect the plain meaning of what is prohibited under this policy.

When Bribery and Corruption involve Government Officials, the reputational damage and financial penalties to a company and its employees may be greatly increased. Throughout this policy, you will find additional guidance and procedures implemented by MetLife to address the enhanced risks of dealing with Government Officials.

## C. WHO DOES THIS POLICY APPLY TO?

This policy applies to all MetLife companies, branches, subsidiaries, joint ventures, and private equity investments (hereinafter, "MetLife" or "Company"), where MetLife has management control. Where MetLife does not have management control, the Company will use good faith efforts to cause the adoption, implementation, and enforcement of suitable anti-corruption policies, to the extent practicable.

This policy applies to all employees, officers, directors (collectively "Employees"), and Third Parties acting on behalf of MetLife anywhere in the world.

## D. APPLICABLE LAW

It is important to remember that acts of Corruption violate not only this policy, but also violate international and local criminal laws, including the US Foreign Corrupt Practices Act ("FCPA") and UK Bribery Act. Since MetLife is a multinational organization, the Company and its Employees, both inside and outside of the US, are subject to US anti-corruption laws as well as the anti-corruption laws of the countries in which the Company conducts business, all of which may carry significant penalties and fines if violated.

Some of these laws may apply to activities engaged in outside of the country that has enacted the law. As an example, the FCPA, to which MetLife and its Employees are subject, prohibits US companies and their Employees from engaging in Corruption-related activities outside of the US. Likewise, the UK Bribery Act, to which MetLife and its Employees are subject, prohibits companies that do business in the UK and their Employees from engaging in Corruption-related activities outside of the UK.

### Attention

MetLife recognizes the FCPA, the UK Bribery Act, and the local anti-corruption laws in each country where the Company operates. If there are differences between this policy and local anti-corruption laws, Employees must adhere to the more stringent standard.

## E. ANTI-CORRUPTION RISK MANAGEMENT

### 1. How are Anti-Corruption Risks and Controls Managed?

Managing anti-corruption risk is the responsibility of everyone at MetLife. Every line of business serves as the first line of defense in overseeing and managing the day-to-day anti-corruption risks. Anti-corruption risks also are governed by MetLife's oversight functions, including Corporate Ethics & Compliance, as the second line of defense and Internal Audit as the third line of defense. In the context of anti-corruption risk management, the roles and responsibilities are as follows:

- **Management & Lines of Business/Functional Areas**

- Primary Responsibility and Accountability**

- ✓ Owns risk control environment
  - ✓ Identifies, measures, and mitigates risk

- **Ethics & Compliance**

- Oversight and Advisory**

- ✓ Advises business and functional areas
  - ✓ Conducts independent monitoring and testing
  - ✓ Shares monitoring/testing results with business, where appropriate

- **Internal Audit**

- Independent Assurance**

- ✓ Validates control strength
  - ✓ Provides objective assessment



The specific roles and responsibilities for each line of defense are described in more detail throughout this policy.

### 2. What is the Role of Management?

Management in the lines of business and functional areas is responsible for implementing processes and controls to deter, prevent, and detect potential acts of Bribery or Corruption. This includes not only MetLife Operations, but any Third Party retained by MetLife.

### 3. How is Compliance Oversight Delegated?

#### **Local Compliance**

Local Compliance<sup>2</sup> is responsible for overseeing the controls management has in place to mitigate anti-corruption risk in each MetLife Operation through the Compliance Risk Management Program (CRMP).

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<sup>2</sup> For purposes of this policy, the term Local Compliance includes Investments Compliance, which supports the global investments function. The Ethics and Compliance Officer for the US and the Global Anti-Corruption Officer will jointly determine how compliance oversight will be delegated, and how this policy will be operationalized, in the US lines of business. The Global Anti-Corruption Officer or his or her designee will oversee compliance with this policy for MetLife corporate functions in the US, such as Treasury, Finance, and Procurement.

Local Compliance also is responsible for ensuring that (i) Employees are familiar with applicable anti-corruption laws; (ii) the Operation maintains a robust anti-corruption compliance program; (iii) ongoing training is provided to senior management, key operating personnel, and other employees; (iv) Employees are updated on any changes to the anti-corruption compliance program and/or regulatory requirements; and (v) risk assessments are conducted in compliance with MetLife's Global Compliance Risk Management Policy.

### **Regional Compliance**

The Ethics and Compliance Officers in the US and each region are responsible for overseeing the anti-corruption compliance programs in their respective organizations.

### **Global Anti-Corruption Unit**

The Global Anti-Corruption Unit has global oversight of MetLife's anti-corruption compliance program. The Global Anti-Corruption Unit is responsible for: (i) drafting and updating written global compliance policies and procedures; (ii) conducting country-level and regional risk assessments; (iii) developing reports for the board of directors and senior management; (iv) advising the lines of business and functional areas on corruption risks; (v) training senior management, key operating personnel, and other employees; (vi) reviewing agreements to assess anti-corruption risk; (vii) overseeing the enhanced due diligence process for potential high-risk Third Parties; (viii) developing compliance strategies in line with anti-corruption laws; (ix) performing substantive testing and face-to-face training during in-person country visits; and (x) assisting Internal Audit in its reviews of the anti-corruption compliance program.

### **Global ABC Compliance Officer**

The Global Anti-Bribery and Corruption ("ABC") Compliance Officer and his or her designee(s) are responsible for: (i) overseeing the implementation of and ongoing compliance with this policy throughout MetLife; (ii) periodically reviewing the procedures set forth in this policy; (iii) guiding the business in setting MetLife's "tone at the top" and enacting procedures to ensure that MetLife's zero tolerance policy towards Bribery and Corruption is clearly and effectively communicated to Employees; (iv) periodically conducting and documenting a Company-wide, global assessment of MetLife's exposure to potential Corruption and Bribery risks; (v) communicating with Employees about significant legal and regulatory developments related to Bribery and Corruption trends; (vi) coordinating for Employees the ongoing awareness, training, and guidance on this policy and anti-bribery laws and regulations; (vii) maintaining awareness of industry trends, legal and regulatory changes, and current enforcement activity; (viii) coordinating with Internal Audit to periodically test and review the efficacy of this policy; (ix) coordinating the review, investigation, evaluation, and reporting of violations of applicable anti-bribery laws and/or this policy; (x) overseeing the establishment of a secure, confidential, and accessible means for Employees to raise concerns about Bribery and to provide suggestions for improving the procedures set forth in this policy; and (xi) responding to requests for information and communicating with regulatory authorities/government agencies about compliance, enforcement, and Bribery and Corruption issues.

### **Chief Compliance Officer**

On an annual basis, MetLife's Chief Compliance Officer or his or her designee will provide a report to the Governance and Corporate Responsibility Committee of MetLife's Board of Directors on the state of MetLife's global anti-corruption compliance program. This report will include an update on any significant corruption issues that may have arisen during the prior year across MetLife's global Operations and the steps that have been or are being taken to address any such issues.

## **4. What does Compliance Oversight Require?**

### **Risk Assessment**

MetLife will conduct ongoing risk assessments to assess the internal and external risk for potential violations of anti-corruption laws and regulations. Risk assessments will take into account geographic risk, size of business, types of transactions, use of Third Parties, local customs, government relationships, distribution channels, and other relevant factors. Local Compliance will conduct risk assessments in accordance with MetLife's Global Compliance Risk Management Policy. In addition, on at least an annual basis, the Global Anti-Corruption Unit will conduct risk assessments for each MetLife Operation. The results of Local Compliance's risk assessments must be documented and submitted to the Global Anti-Corruption Unit, which, in turn, will coordinate with the local Operations to design and implement appropriate controls and local policies and procedures.

### **Metrics, Monitoring & Testing**

Local Compliance will conduct ongoing oversight, monitoring, and testing in compliance with MetLife's Global Compliance Risk Management Policy. Those oversight activities are the basis for the above-described risk assessments and must be maintained in the appropriate risk management system.

Local Compliance, with support from the lines of business and functional areas, also is required to submit a Quarterly Operational Metrics Report to the Global Anti-Corruption Unit. This data includes information on Gifts and Entertainment, Charitable Donations, Sponsorships, Ex-Gratia Payments, new and renewal contracts, the hiring of Government Officials, and anti-corruption training. Local Compliance and the Global Anti-Corruption Unit analyze the metrics to (i) identify potential weaknesses in controls, (ii) identify trends and emerging risks, (iii) conduct an overall risk assessment of each Operation, and (iv) develop strategies for corrective action.

### **Implementation of Local Policies and Procedures**

Local Compliance must partner with the lines of business/functional areas to implement supplemental anti-corruption policies and procedures to ensure that the anti-corruption compliance program adequately addresses any local law requirements and all of the individual characteristics of the businesses conducted by the Operation. The Global Anti-Corruption Unit must approve all local versions of, and any local addendum to, this policy, as well as any supplemental policies and procedures.

## **5. Internal Audit**

On a periodic basis, Internal Audit will conduct audits to assess the implementation of this policy. These audits will include an assessment of the effectiveness and quality of MetLife's procedures, documentation, internal controls, training procedures, compliance testing, and any corrective actions taken in response to prior audits and examinations by regulators. A written report summarizing the results of the audit and any suggested corrective actions will be provided to the Global ABC Compliance Officer, the appropriate Ethics and Compliance Officers in the US and each region, the appropriate Local Compliance Officers, the Global Anti-Corruption Unit, the appropriate Chief Financial Officer, and the MetLife Law Department.



## II. DOING BUSINESS WITH A THIRD PARTY

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Under the FCPA, UK Bribery Act, and other international anti-corruption laws, MetLife can be held liable for the acts of intermediaries, agents, brokers, consultants, distributors, subcontractors, or joint venture partners (“Third Parties”) if bribes are offered or accepted while performing services for or on behalf of the Company. Therefore, Third Parties are strictly prohibited from engaging in Bribery or other corrupt activity when acting for or on behalf of MetLife. This policy establishes procedures for assessing and mitigating the potential risk each Third Party poses to the Company.

### A. THIRD PARTY ENGAGEMENTS

#### 1. The 4-Step Process

For every Engagement involving a new or renewal contract or purchase order, Employees in the line of business or function must conduct a four-step analysis.

##### *Step One: Identify the Business Rationale*

Employees in the line of business or function seeking to retain a Third Party must define the business rationale for the proposed relationship. Employees must maintain documentation describing the rationale for engaging the Third Party and the products or services the Third Party will provide to MetLife. Employees should document the business rationale using [Appendix D](#), or any substitute form, system, or process that is designed to comply with this requirement and approved by the Global Anti-Corruption Unit. If there is no legitimate business rationale for the proposed relationship, then the Third Party should not be retained.

##### *Step Two: Risk Assess the Engagement*

The next step is to assess the level of corruption risk associated with the Third Party Engagement. The Risk Assessment Chart in [Appendix D](#) must be used by Employees to identify an appropriate risk designation for the Third Party. In addition, [Appendix C](#) identifies a list of red flags that, if present, would automatically elevate the Third Party Engagement to a high-risk classification. Employees must document the risk assessment in [Appendix D](#), or any substitute form, system, or process that is designed to comply with this requirement and approved by the Global Anti-Corruption Unit.

##### **Attention**

In certain high risk jurisdictions, the Global Anti-Corruption Unit may require Local Compliance to approve the assessment of certain Third Party Engagements as low or medium risk before determining the extent of required due diligence (Step Three, below).

##### *Step Three: Conduct Due Diligence*

It is critical that MetLife conduct due diligence on the Third Party to ensure that the Third Party has the requisite expertise to perform the work in question and will do so in a manner that fully complies with anti-corruption laws. There are two necessary components of due diligence: (i) collecting documentation and information on the Third Party; and (ii) reviewing and evaluating the documentation and information collected. The due diligence requirements for a Third Party engagement classified as low, moderate, or high risk are defined in the tables below.

### Low Risk Third Party Engagement

For a low risk Third Party Engagement, Employees must conduct standard due diligence. Standard due diligence requires basic Internet, database, and media searches. The results of the due diligence exercise may warrant a risk elevation (for example, re-categorization from low to high risk if negative news or corruption red flags are identified). Guidance for standard due diligence is delineated in [Appendix E](#).

### Moderate or High Risk Third Party Engagement

For a moderate or high risk Third Party Engagement, Employees must conduct enhanced due diligence. The requirements for enhanced due diligence are delineated in [Appendix E](#). The results of the due diligence exercise may warrant a risk elevation (for example, re-categorization from moderate to high risk if negative news or corruption red flags are identified).

As part of the due diligence process, Employees in the line of business or function must review the information collected on the Third Party and look for any inconsistencies or red flags ([Appendix C](#)). If inconsistencies or red flags are identified, the matter should be escalated to Local Compliance, and in turn, to the Global Anti-Corruption Unit for a determination of next steps. All red flags must be investigated before deciding whether or not to retain the Third Party.

A due diligence file must be maintained by the line of business or function for the duration of the relationship with the Third Party and for at least an additional seven (7) years thereafter, or in compliance with local law, whichever is longer.

#### Attention

For further information on the implementation of this section of the policy, including Third Party risk assessment procedures and specific contractual provisions, refer to [Appendix D](#). For further guidance on due diligence requirements, refer to [Appendix E](#).

#### *Step Four: Anti-Corruption Provisions in the Agreement*

For a moderate or high risk Third Party Engagement, Employees in the line of business or function must work with their local law department and Global Procurement to incorporate anti-corruption provisions in the agreement, contract, or purchase order. Any exception to this requirement or modification to the anti-corruption provisions may only be granted in writing by the Global Anti-Corruption Unit. These anti-corruption provisions are delineated in [Appendix D](#).

Upon completing Steps One through Four, the Employee seeking to retain the Third Party must obtain the appropriate sign offs as specified in [Appendix D](#).

#### **Product/ Service and Supplier Risk Assessment Process:**

Global Procurement has developed an electronic Product/ Service and Supplier Risk Assessment Process (PSRA) as part of its Third Party Risk Management program. The electronic PSRA is a mandatory process for any contract going through Procurement. The anti-corruption third-party risk assessment process that has been described in detail above has been incorporated into the electronic PSRA. Therefore, a third-party engagement that goes through the electronic PSRA process does not need to be separately risk assessed according to the steps described above and in [Appendix D](#). All third-party engagements must go through *either* the electronic PSRA process *or* the 4-step process described above.

## 2. Special Rules for High Risk Engagements

To mitigate the corruption risk posed by Third Parties, all high risk Engagements must be escalated to the Global Anti-Corruption Unit for enhanced review and pre-approval prior to engaging the Third Party.

Once the business identifies a high risk Engagement, the line of business or function must escalate the Engagement to Local Compliance. In collaboration with the line of business or functional area seeking to retain the Third Party, Local Compliance must then complete the ABC High Risk Engagement Escalation Worksheet found in [Appendix F](#) based on due diligence information provided by the business or functional area and submit the form to the Global Anti-Corruption Unit.

The Global Anti-Corruption Unit will assess the risk of engaging the Third Party and determine how to proceed, which may include requesting additional information, reviewing the due diligence conducted by the line of business or function, collecting additional due diligence, or requiring additional protective measures as part of the Engagement. Where the risk warrants additional due diligence, the Global Anti-Corruption Unit may require: (i) the Third Party to complete a due diligence questionnaire ([Appendix G](#)); and (ii) the line of business or function seeking to retain the Third Party to complete a due diligence questionnaire ([Appendix H](#)). The purpose of the questionnaires is to conduct a comprehensive review of the Third Party to determine the extent of Corruption risk the party poses to the Company. The internal and external questionnaire must be submitted to Local Compliance and the Global Anti-Corruption Unit for review. In addition, the Global Anti-Corruption Unit also may require the Third Party to review and complete the Third Party Anti-Corruption Policy Statement & Certification Form ([Appendix K](#)). The Global Anti-Corruption Unit will make the final determination as to whether the Third Party can be retained.

### B. JOINT VENTURE PARTNERS

Generally, joint venture agreements are high risk and must follow the procedures delineated in [Appendix D](#). A joint venture is a business undertaking by MetLife and one or more partners engaged in a single defined project, particularly when investing in new markets or developing a new line of business. A joint venture partner can be liable for anti-corruption violations if they knew or should have known of the illegal acts of the other partner, or if they otherwise authorized, directed or controlled the illegal activity. To minimize the risk of liability, MetLife should: (i) conduct enhanced due diligence of prospective joint venture partners before agreeing to participate in a joint venture; (ii) include anti-corruption contractual provisions in the joint venture agreement; and (iii) implement and maintain a comprehensive anti-corruption compliance program.

Where MetLife does not have management control, the Company will use good faith efforts to cause the adoption, implementation, and enforcement of suitable anti-corruption policies, to the extent practicable.

# III. GIFTS & ENTERTAINMENT

## A. OVERVIEW

As a leader in the financial services industry, MetLife has a strong interest in avoiding any conflict of interest associated with Gifts and Entertainment. The occasional exchange of modest Gifts and Entertainment can help build relationships with suppliers, vendors, and others. However, it is unethical and contrary to good corporate governance to offer or accept Gifts and/or Entertainment to influence a decision or obtain an improper advantage. It is MetLife's policy that Employees may give and receive appropriate, lawful business Gifts and Entertainment in connection with their work, provided that the Gifts and Entertainment are nominal in value and do not affect their judgment or that of others, or give the appearance of doing so.

The key considerations in judging whether a Gift or Entertainment is appropriate are the appearance of any conflict of interest and the cost of the Gift or Entertainment. If Employees are uncertain about a particular situation, they should contact their Local Compliance Officer or the Global Anti-Corruption Unit.

### Standards for Gifts & Entertainment

Gifts and Entertainment should be reasonable in value, appropriate for the occasion, and be given openly and transparently so that no appearance of impropriety exists. Gifts and Entertainment must be incidental to genuine, necessary business relationships, but under no circumstances may any Gift or Entertainment be given in exchange for favorable treatment to MetLife.

A Gift should be given only in connection with national, traditional or religious holidays or, where customary, to celebrate significant personal events such as marriages or births. A promotional Gift branded with MetLife's logo or product information is preferred if such Gifts are socially acceptable. However, promotional Gifts should be given in small quantities and have low cash value.

As a general rule, the following Gifts are never appropriate to give or receive from an individual or Entity: (i) cash, or cash equivalents (such as gift cards or gift certificates); (ii) Gifts prohibited by local law; (iii) Gifts that could be mistaken for bribes or kickbacks; (iv) services or other non-cash benefits (for example, the promise of employment); and (v) Gifts to family members of a Third Party.

### Guiding Principles

The following principles should guide an Employee's decision when offering or accepting Gifts and/or Entertainment:

*Always consider how your actions would be viewed by an objective person.*

*Always ensure that all Gifts or Entertainment are associated with a legitimate business purpose.*

*Never offer or accept Gifts or Entertainment that appear lavish, improper, or potentially offensive.*

*Gifts or Entertainment must be reasonable in value, customary and legal in the country where exchanged.*

*Never request Gifts or Entertainment under any circumstances.*

*Never offer or accept cash or cash equivalents, including gift cards.*

*Never offer or accept Gifts or Entertainment to influence a decision or retain business.*

*Never offer or accept Gifts or Entertainment during a bidding process or contract negotiation.*

*Always determine the fair market value of an event, including all associated expenses.*

### Example

Giving a Company branded t-shirt may be appropriate, but giving an expensive watch is not permissible.

Paying for travel to a training program may be permissible, but paying for someone's vacation is not permissible.

On rare occasions, when required by local custom, monetary Gifts under \$100 USD, including gift cards, may be provided with prior written approval from the Global Anti-Corruption Unit. Where possible, a monetary Gift should be made by Company check or other traceable form of payment.

#### **Attention**

The pre-approval thresholds for Government Officials and Non-Government Persons are set forth in the subsections B.1 and B.2 below.

If an Employee is offered a Gift and/or Entertainment that does not satisfy the criteria set forth in the policy, the Employee should politely decline the Gift and/or Entertainment.

### **Limit Multiple Gifts**

Multiple gifts can be viewed as a sign of impropriety. Therefore, Employees generally should avoid giving multiple Gifts to a single recipient within the same calendar year. If multiple Gifts are given to a Government Official over the course of a year (for example, small Gifts given in connection with multiple holidays), the total value of all the Gifts together should not exceed \$150 USD in value.

#### **Example**

If an individual is visiting MetLife's offices to discuss a potential business contract, it can be appropriate to take the individual to a restaurant for a modest dinner.

It is the line of business' responsibility to track whether the same recipient has been offered a Gift or Entertainment on multiple occasions. Although it may be reasonable to provide a few modest Gifts or Entertainment to a single individual or a group of individuals incidental to genuine business discussions, providing frequent Gifts or Entertainment may be a warning sign of improper activity.

#### **Example**

No more than one Gift should be given to an individual in connection with a customary holiday, such as Chinese New Year.

### **Documentation**

Gift and Entertainment expenses must be properly and accurately recorded. The expenses must have supporting documentation that clearly identifies the non-MetLife party providing/receiving the Gift or Entertainment, states the value of the Gift or Entertainment exchanged, and reflects the underlying basis of the expenditure.

## **B. REPORTING & PRE-APPROVAL PROCESS**

This policy establishes pre-approval thresholds for Gifts to and from, and Entertainment with, Government Officials and Non-Government Persons. To determine whether pre-approval is required, refer to the Gift and Entertainment charts on pages 13 and 14 of this policy.

### **Pre-Approval Required**

When pre-approval is required, Employees must follow the steps below.

#### ***Step One: Complete the Gift & Entertainment Reporting Form***

Prior to offering or accepting Gifts or Entertainment, an Employee must complete the Gifts and Entertainment Reporting Form (**Appendix A**), or any substitute form (including an electronic form) that is designed to comply with this requirement and approved by the Global Anti-Corruption Unit.

#### ***Step Two: Obtain Pre-Approval for the Gift and/or Entertainment***

Depending on the value and/or frequency, Gifts and Entertainment offered and received may need to be pre-approved by a Manager or Executive within the Employee's line of business or function, and must be reported to Local

#### **Attention**

To the extent possible, receipt of a gift must be pre-approved by a Manager or Executive. In instances where pre-approval is not possible, approval may be obtained retroactively.



Compliance. Gifts and Entertainment to or from Government Officials require additional pre-approval from Local Compliance and/or the Global Anti-Corruption Unit.

Each approver must sign and date the Gift and Entertainment Reporting Form to document their approval. After an Employee has obtained the requisite signatures, he or she must provide the form to Local Compliance and may proceed to offer or accept the Gift or Entertainment.

### ***Step Three: Log the Gift and/or Entertainment***

Upon receiving the Gifts and Entertainment Reporting Form from the Employee, Local Compliance must document the Gift and/or Entertainment in the Expense Log (**Appendix B**) or any substitute form, system, or process that is designed to comply with this requirement and approved by the Global Anti-Corruption Unit.

### **Pre-Approval Not Required**

There may be limited circumstances where pre-approval of a gift or entertainment is not required. When pre-approval is not required, the Employee exchanging Gifts or Entertainment must complete the Gifts and Entertainment Reporting Form (**Appendix A**) (or any substitute form, system, or process that is designed to comply with this requirement and approved by the Global Anti-Corruption Unit) and submit the form to Local Compliance within thirty (30) days of the activity. Local Compliance must record the activity in the Expense Log (**Appendix B**).

#### **Attention**

The pre-approval and reporting requirements do not apply to Gifts and Entertainment exchanged among Employees or between Employees and MetLife's Captive Agents.

### **Expense Log & Finance File**

Local Compliance is required to maintain an Expense Log (**Appendix B**) that identifies all Gift and Entertainment expenses, Charitable Donations, Sponsorships, and Ex-Gratia payments related to either Government Officials or Non-Government Persons. The Expense Log must contain, at a minimum, the following information: (i) amount and date of the expense; (ii) the names and description of the persons for whom the expense was incurred; (iii) the purpose of the expense; (iv) the name of the Employee approving the expense; (v) the date of approval; (vi) whether the expense was incurred on behalf of a Government Official; and (vii) the name of the Employee providing the gift or entertainment. When low-value Gifts or Entertainment are provided to a group of individuals, it is not necessary to individually list the names of all the recipients in the Expense Log. However, the estimated number of recipients must be recorded in the Expense Log.

#### **Attention**

Expense reimbursement and/or reporting forms must contain two questions: (i) Was the expense related to Gift and Entertainment? and (ii) Was the expense incurred, in whole or in part, on behalf of a Government Official?

As part of the expense reimbursement process, Local Finance must maintain a separate file of all Gift and Entertainment expenses incurred on behalf of both Government Officials and Non-Government Persons (the "Finance File"). On a monthly basis, the Expense Log and the Finance File must be reconciled. The reconciliation process requires Local Compliance to compare the total value of Gift and Entertainment expenses in the Expense Log against the total value of Gift and Entertainment expenses in the Finance File to ensure that all the expenditures were approved and accurately recorded. If the total value of expenses recorded in the Expense Log and Finance File do not match, Local Compliance should notify Local Finance and the relevant line of business or functional area to resolve any discrepancies and develop any appropriate action plans as necessary.

## 1. Government Officials

MetLife Employees may come into contact with Government Officials in connection with their job duties. Employees are strictly prohibited from engaging in any activity that may be interpreted as Bribery in any way with a Government Official or anyone at the behest of a Government Official. Employees also must remember that offering or accepting a bribe violates not only this policy, but also may violate the FCPA, UK Bribery Act, and local laws.

### Attention

Employees must keep in mind that the term Government Official is defined broadly to include a wide-range of individuals, many of whom one might not otherwise consider to be a Government Official (See the definition of Government Official in Section XV of this policy).

Gifts and Entertainment for a Government Official may be permissible if they are directly related to the promotion, demonstration, or explanation of MetLife's products and services; seek to improve the image of MetLife; or establish cordial relations. In addition, the Gift and Entertainment expense must be consistent with the local laws applicable to the Government Official and must not be offered with the intent to influence the official.

The following are some of the questions that Employees should consider in determining whether or not to provide Gifts and Entertainment to a Government Official:

- What is the relationship between the Gift or Entertainment and the demonstration or explanation of the MetLife product or service to which it relates?
- Are the expenditures reasonable, proportionate, and in accordance with the specific guidelines of this policy?
- Are there any pending contracts, bids, awards, or business with the office of the particular Government Official?
- Does the Government Official have internal policies prohibiting receipt of Gifts or Entertainment?
- Is the Gift or Entertainment prohibited under local law?
- What is the total amount of Gifts and Entertainment provided by MetLife to the particular Government Official during the calendar year?
- Will any Family Members of the Government Official be provided with Gifts or Entertainment?
- Will the appropriate MetLife Employee(s) be in attendance at the event?
- Will MetLife pay for all related expenses directly to vendors?
- Will all expenses be pre-approved (if necessary) and fairly and accurately recorded in the Company's books and records?

## Gift & Entertainment Guidelines

Pursuant to this policy, MetLife Employees are required to observe the following guidelines when exchanging Gifts and Entertainment with Government Officials.

GOVERNMENT OFFICIALS PER PERSON/ PER CALENDAR YEAR			
Gifts	Amount Per Person/Per Calendar Year	Action	
	≤ \$150 USD	Prior approval by the Employee’s Manager. Report to Local Compliance within 30 days of the gift.	Prior approval from Government Relations also is required if the gift is exchanged with a US Government Official.
	> \$150 USD	Prior approval by the Executive in the Employee’s reporting line, Local Compliance, and the Global Anti-Corruption Unit.	
Meals & Entertainment	Amount Per Person/Per Calendar Year	Action	
	≤ \$50 USD	Report to Local Compliance within 30 days of the event.	Prior approval from Government Relations also is required if the meal and/or entertainment is with a US Government Official.
	> \$50 ≤ \$150 USD	Prior approval by the Employee’s Manager and report to Local Compliance within 30 days.	
	> \$150 USD	Prior approval by the Executive in the Employee’s reporting line, Local Compliance, and the Global Anti-Corruption Unit.	
<b>Attention:</b> Gift and Entertainment of US federal, state, and local/municipal Government Officials and employees are generally <u>not</u> permissible, with very limited exceptions. Employees must obtain pre-approval from Global Government Relations ( <a href="mailto:askgovrelations@metlife.com">askgovrelations@metlife.com</a> ) and the Global Anti-Corruption Unit before exchanging any Gift or Entertainment with a US federal, state, or local Government Official or employee. <u>This guideline applies even if the Gift or Entertainment of the US official or employee is occurring outside of the US.</u>			

The amounts stated in the chart are in US currency, based on the conversion rate as of the first day of the month when the Gift or Entertainment is exchanged or pre-approved. Certain countries may have thresholds that are lower than those shown above. Employees in those countries must adhere to the thresholds in their local adaptation of this policy.

### Example

If a person gave a Government Official a gift valued at \$60 USD on one occasion, and then on a separate occasion within the same year gave the same Government Official another gift valued at \$95 USD, the second gift would require approval from an Executive in the Employee's reporting line, Local Compliance, and the Global Anti-Corruption Unit. This is because the total value of the gifts provided by the person to the Government Official in the calendar year is \$155 USD, which exceeds the \$150 threshold.

## Aggregation Principle

The value of Gifts and Entertainment must be totaled per recipient in a calendar year. It is the Employee's responsibility to indicate on the Gift and Entertainment Reporting Form the year-to-date total in Gift and Entertainment he or she exchanged with the Government Official. In addition, the Employee must obtain the appropriate pre-approvals if, in the calendar year, the total value of the Gift and Entertainment he or she exchanged with the Government Official exceeds the threshold requiring pre-approval.



## Family Members

Providing improper Gifts and Entertainment to a Family Member of a Government Official may violate international anti-corruption laws. Therefore, the same guidelines and prohibitions for Gift and Entertainment with Government Officials apply when providing Gifts and Entertainment to Family Members of Government Officials. For purposes of calculating the total value of a Gift or Entertainment exchanged with Government Officials and their Family Members, the Government Official and all of his or her participating Family Members count as a single person.

### Attention

Multiple Gifts or Entertainment to members of a Government Official's family constitute a single Gift or Entertainment to the official when valuing the activity.

For example, four amusement park tickets at a cost of \$25 USD each for members of a Government Official's family constitute a single Gift of \$100 USD to the Government Official.

## 2. Non-Government Persons

MetLife expects its employees to exercise good judgment when providing Gifts or Entertainment to Non-Government Persons and Entities, such as private individuals, companies, or organizations.

### Gift & Entertainment Guidelines

MetLife Employees are required to observe the following guidelines when exchanging Gifts and Entertainment with Non-Government Persons.

NON-GOVERNMENT PERSONS PER PERSON/ PER CALENDAR YEAR			
Gifts	Reporting Not Required	Report to Local Compliance (within 30 days of the Gift)	Subject to Pre-Approval & Reporting
	Promotional/logo items  Mementos  Minimal value items ≤ <b>\$10</b>	Gifts > <b>\$10</b> ≤ <b>\$100</b> (No approval required)	> <b>\$100</b> ≤ <b>\$1,000</b> or > 2 gifts of greater than minimal value (Manager approval)  > <b>\$1,000</b> or > 4 gifts of greater than minimal value (Executive approval)
Meals & Entertainment	Reporting not Required	Report to Local Compliance (within 30 days of the M&E)	Subject to Pre-Approval & Reporting
	Refreshments/meals brought into a business meeting  Minimal value events ≤ <b>\$10</b>	Events ≤ <b>\$400</b> (No approval required)	> <b>\$400</b> ≤ <b>\$1,000</b> (Manager approval)  > <b>\$1,000</b> or > 4 events (Executive approval)

The amounts stated in the chart are in US currency, based on the conversion rate as of the first day of the month when the Gift or Entertainment is exchanged or approved. Certain countries may have thresholds that are lower than those shown above. Employees in those countries must adhere to the thresholds in their local adaptation of this policy.

### Aggregation Principle

The value of Gifts and Entertainment must be totaled per recipient in a calendar year. It is the Employee's responsibility to indicate on the Gift and Entertainment Reporting Form the year-to-date total in Gift and Entertainment he or she exchanged with the Non-Government Person. In addition, the

Employee must obtain the appropriate pre-approvals if, in the calendar year, the total value of the Gift and Entertainment he or she exchanged with the Non-Government Person exceeds the threshold requiring pre-approval.

## C. TRAVEL

As with Gifts and Entertainment, MetLife has a zero tolerance policy for Bribery and Corruption when providing company-sponsored travel to events, such as trainings, conferences, and meetings. All travel must have a legitimate business purpose and directly relate to the promotion, demonstration, or explanation of MetLife's products or services.

The Global Anti-Corruption Unit must review and pre-approve all events, including training, conferences, and meetings, provided to or received from an external party (whether Government Officials or Entities or Non-Government Persons or Entities) when the event takes place outside of the country where the MetLife Operation providing or receiving the event is located. Events taking place in the home country of the MetLife Operation must otherwise adhere to the Gift and Entertainment reporting and pre-approval requirements of this policy.

Company-sponsored travel provided to both Government Officials and Non-Government Persons must adhere to the guidelines below.

- The costs associated with the event must be reasonable to achieve the business purpose, and the objective must be documented.
- The event must never be held at a vacation resort or tourist destination where MetLife does not have a presence. The destination must have a legitimate business rationale.
- The external party's employer should select the participants. Participants must have a demonstrated interest in or experience in financial or insurance products, or otherwise satisfy all criteria for attending the event.
- MetLife should ensure that the participants are not (and will not be) decision makers with respect to any current (or planned/pending) business with the external party. If decision makers are present for training, Employees must notify the Global Anti-Corruption Unit for review and approval.
- MetLife must not pay for the travel-related expenses of any participant's spouse, partner, friends or other family members.
- All participant travel should be booked in economy class, unless a written exception is granted in advance by the Global Anti-Corruption Unit.
- MetLife should pay all costs associated with the event directly to vendors.
- No cash or per diems should be provided to any participant. Reimbursement of expenses must be made directly to the external party's employer upon presentation of a written receipt supporting the expense. No reimbursement payment will be made without the prior written approval of Local Compliance and the Global Anti-Corruption Unit. Please notify the Global Anti-Corruption Unit if there is an existing contract or other arrangement with the external party that involves a per diem arrangement.
- Gifts provided to participants should be of nominal value and, if possible, bear the MetLife logo.
- Any sightseeing or recreational activity should be modest and comprise no more than 25% of each day of the MetLife sponsored training activities.

- Attendance by participants at business activities should be mandatory and monitored by MetLife Employees.
- Each payment and expense reimbursement associated with the event must be properly documented in MetLife's books and records.

For more information on company-sponsored travel, see *MetLife's Guidelines on Providing Company-Sponsored Travel to External Parties*.

## IV. CHARITABLE DONATIONS & SPONSORSHIPS

MetLife makes financial contributions to projects and initiatives that promote the Company's values. This includes Charitable Donations and marketing activities. A donation to a charitable organization or Sponsorship of an event can be an important manifestation of good corporate citizenship. However, Charitable Donations or Sponsorships also can be used to disguise Bribery. Employees are prohibited from making charitable contributions or sponsoring any event that may, due to their value or frequency, create (or create the appearance of) a conflict of interest for MetLife. To ensure all Charitable Donations or Sponsorships are transparent and appropriate, all Employees must follow the prescribed corporate processes in place for such activity.

A Charitable Donation or Sponsorship must have a legitimate philanthropic purpose, such as to serve humanitarian interests or to support cultural or educational institutions, and must not create a conflict of interest or perceived conflict of interest. It is appropriate to make a financial contribution with the hope of fostering goodwill toward MetLife in the community. However, it is never permissible to make a contribution, whether on behalf of the company or in an individual capacity, in exchange for favorable treatment for MetLife.

### **Charitable Donation or Sponsorship to Government Entity or Private Entity with a Connection to a Government Official**

A Charitable Donation or Sponsorship made to a government Entity or private Entity where a Government Official or his or her Family Member has a role (for example, as a board member or trustee), especially if made at the behest of the official, may be perceived as conferring a benefit to that Government Official. For this reason, all Charitable Donations or Sponsorships involving Government Entities and/or Officials must be reported to Local Compliance and pre-approved by the Global Anti-Corruption Unit. The Global Anti-Corruption Unit will review the request after Employees have completed appropriate due diligence. For guidance on due diligence requirements, refer to **Appendix E**. Local Compliance must enter the value of the Charitable Donation or Sponsorship in the Expense Log (**Appendix B**).

It is important to note that the involvement of a Government Official does not necessarily mean that a contribution should not be made. However, it is critical to know whether and how a Government Official is involved in order to properly assess the risk.

### **Charitable Donation or Sponsorship to a Non-Government Entity with No Connection to a Government Official**

A Charitable Donation or Sponsorship involving a private Entity where a Government Official is not involved also should not create the appearance of impropriety, a conflict of interest, or violate any anti-corruption laws. Therefore, MetLife Employees are required to observe the guidelines below for Charitable Donations or Sponsorships involving a Non-Government Entity with no connections to a Government Official or Family Member of a Government Official and conduct the appropriate level of

#### **Key Questions**

In determining whether a Charitable Donation or Sponsorship is appropriate, it is important to ask the following questions:

*What is the purpose of making the contemplated financial contribution?*

*Is the Charitable Donation or Sponsorship being made at the request of, or on behalf of, a Government Official (or his/her Family Member)?*

*Does a Government Official (or his/her Family Member) sit on the board of the organization or have a role in its management?*

*Is a Government Official (or his/her Family Member) associated with the organization featured as a prominent supporter or spokesperson?*

*Is the Charitable Donation or Sponsorship conditioned on receiving business or any other benefit (for example, favorable treatment)?*

due diligence prior to approval and payment. For guidance on due diligence requirements, refer to **Appendix E**. The value of the Charitable Donation or Sponsorship also must be entered into the Expense Log (**Appendix B**).

Charitable Donations/Sponsorships	GOVERNMENT OFFICIALS	
	All Charitable Donations/Sponsorships involving government entities, Government Officials, and/or Family Members of Government Officials, regardless of amount, must be reported to Local Compliance and pre-approved by the Global Anti-Corruption Unit.	
	Additionally, Donations/Sponsorships to US federal, state, and local/municipal Government Officials and employees are generally not permissible, with very limited exceptions. Employees must obtain pre-approval from Global Government Relations ( <a href="mailto:askgovrelations@metlife.com">askgovrelations@metlife.com</a> ) and the Global Anti-Corruption Unit before providing the Donation/Sponsorship to a US Federal, state, or local Government Official or employee. This guideline applies even if the donation/sponsorship is occurring outside of the US.	
	NON-GOVERNMENT PERSONS	
	Report to Local Compliance (within 5 days)	Subject to Pre-Approval & Reporting
	Charitable donation/sponsorship ≤ <b>\$250</b> (No approval required)	> <b>\$250</b> ≤ <b>\$2,500</b> (Manager approval)  > <b>\$2,500</b> (Executive approval)

## V. EX-GRATIA PAYMENTS

An Ex-Gratia Payment is a voluntary payment to a customer where MetLife does not have an obligation to make the payment, but does so anyway out of compassion in extreme circumstances or to further good corporate citizenship. These only include payments where MetLife's obligation is not in dispute and it is clear that there is no liability to pay.

### Ex-Gratia Payments to Government Officials

An Ex-Gratia Payment to a Government Official or his or her Family Member may be perceived as conferring a benefit to that official. Therefore, all Ex-Gratia Payments to Government Officials and their Family Members must be escalated to the Global Anti-Corruption Unit for review and approval prior to disbursement.

### Ex-Gratia Payments to Non-Government Persons

An Ex-Gratia Payment to a Non-Government Person should be reviewed and approved by Local Compliance prior to disbursement. If Local Compliance identifies or has reason to believe that an Ex-Gratia Payment to a Non-Government Person would create a conflict of interest (or the appearance

#### Key Questions

In determining whether an Ex-Gratia Payment is appropriate, it is important to ask the following questions:

*Does the request relate to a Government Official (or his/her Family Member) or a Non-Government Person that has influence or decision making authority over MetLife's business?*

*Is MetLife undergoing contract negotiation or bidding process with the individual/Entity receiving the payment?*

*Is the underlying claim for which an Ex-Gratia Payment is requested sufficiently substantiated with supporting documentation?*

*Will the payment create a conflict of interest or perceived conflict of interest?*

thereof) or violate this policy, Local Compliance must escalate the proposed payment to the Global Anti-Corruption Unit for review and approval prior to disbursement.

Local Compliance should document all approved Ex-Gratia Payments in the Expense Log ([Appendix B](#)).

## VI. SALES CONTESTS

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As used in this policy, a Sales Contest is a contest organized by MetLife, where the contest rules and qualifying criteria are determined by MetLife and the rewards are offered to agents or distribution partners who satisfy the qualifying criteria. Employees must ensure that Sales Contests and any rewards in connection with the contest are permissible under local laws.

### **Attention**

The pre-approval and reporting requirements do not apply to Sales Contest rewards provided to MetLife's Captive Agents.

If the value of a Sales Contest reward is not calculated as part of the total commissions paid to the agents, then the reward is considered a "Gift" and subject to the Gift and Entertainment reporting and pre-approval requirements of this policy. Prizes may not be overly extravagant or lavish.

A Sales Contest reward offered by MetLife to agents from a government-owned distribution partner must be pre-approved by: (i) Local Compliance if the reward is less than \$100 USD; or (ii) Local Compliance and the Global Anti-Corruption Unit if the reward is greater than \$100 USD. A Sales Contest reward offered to agents from a non-government-owned distribution partner or to all other non-government-affiliated agents must be approved by the respective line of business or channel, if the value of the reward is greater than \$100 USD. *See* the Gift and Entertainment Guidelines on pages 13 and 14 of this policy.

To mitigate the risk of Corruption, all Sales Contest rewards considered to be "Gifts" must be reported to Local Compliance and recorded in the Expense Log.

## VII. POLITICAL CONTRIBUTIONS & ACTIVITIES

MetLife Employees may be asked to make political contributions or engage in political activities, either on behalf of the Company or on their own behalf. Employees, whether on behalf of MetLife or in their private capacity, are prohibited from making political contributions or engaging in political activities that may, due to their value or frequency, create (or create the appearance of) a conflict of interest for MetLife. The Global Anti-Corruption Unit and the Global Government Relations Department must review and pre-approve all political contributions made on behalf of the Company.

### Example

It is improper to make a political contribution at the specific request of a candidate for public office who may have the ability to direct or award business to MetLife.

## VIII. HIRING GOVERNMENT OFFICIALS

The hiring of a current or former Government Official, or a Government Official's Family Member, bears a heightened risk of Bribery. Hiring a Government Official or his/her Family Member might create the perception, even if inaccurate, that MetLife is attempting to improperly influence or reward the Government Official.

MetLife prohibits hiring a current or former Government Official, and Family Members of Government Officials, in an attempt to influence the official to provide assistance, directly or indirectly, to MetLife. To avoid the appearance of improper influence, no special treatment should be extended to any current or former Government Official (or his/her Family Member) when considering them for employment or an internship. In addition, a position must never be created to hire the Government Official or his/her Family Member.

Employees must notify their respective compliance and law departments if they are contacted by a Government Official to consider his or her Family Member or friend for employment or internship opportunities at MetLife. If an Employee learns that a candidate is a Family Member of a Government official, the Employee must convey that information to Local Compliance before an offer is extended to the candidate. Any decision to hire a Government Official, or referred by a Government Official for full time employment, part time employment, or an internship requires the approval of the Global Anti-Corruption Unit before an offer is extended to the candidate. Once approval is granted, due diligence and background checks, including OFAC and other applicable sanctions lists screening, must be conducted prior to making an offer of employment to any Government Official (or his/her Family Member).

MetLife is committed to fair and equitable treatment of all employees. Accordingly, it is crucial that the hiring of Non-Government Persons be conducted in a manner that is free of actual or apparent conflicts of interests. Employees should adhere to their local Human Resources policies and procedures when hiring Non-Government Persons.

### Key Questions

In determining whether hiring a Government Official (or his/her Family Member) is appropriate, it is important to ask the following questions:

*Does the Government Official and/or the agency, department, or entity for which he or she works/worked have any influence or decision making authority with respect any sector of MetLife's business or products?*

*Is there any relationship (for example, contracts, pending bids, or other business) between MetLife and the Government Official or the agency, department, or entity for which he or she works/worked?*

*Was the candidate's status as a Government Official and/or his or her association with any government agency, department or entity a factor in the decision to hire this candidate?*

### Attention

Employee application forms must contain the following question: (1) *Are you a Government Official or family member of a Government Official?* (2) *If yes, please describe the nature of Government Office held or name of and relationship to Government Official.* (3) *Were you referred by anyone for this position?*



## IX. GOVERNMENTS AS CUSTOMERS

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### A. GOVERNMENT CLIENTS

Government Officials and Entities may not receive any special benefits or services from MetLife that are not available to similarly situated customers that are Non-Government Persons or Entities. This includes Government Entities as clients, as well as Government Officials in their individual capacity.

### B. DEBT NEGOTIATION

On occasion, Government Officials or Entities that are MetLife customers may seek to reduce a debt owed to the Company. Any attempt to negotiate with a Government Official or Entity customer to recoup or reduce debt owed to MetLife must be escalated to the Global Anti-Corruption Unit for review and approval. In addition, a Third Party must never be retained to negotiate the terms of debt owed to MetLife without the pre-approval of the Global Anti-Corruption Unit.

## X. ROUTINE BUSINESS & FACILITATION PAYMENTS

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### A. ROUTINE BUSINESS PAYMENTS

MetLife may be required to obtain government licenses, permits, or other regulatory approvals before conducting business in a particular jurisdiction. For example, MetLife may require a license to underwrite life insurance or regulatory approval to sell securities.

MetLife prohibits bribing Government Officials in exchange for their assistance in obtaining a government license or regulatory approval, or settling a dispute with a local government agency or department. This prohibition does not apply to payments made directly to a government agency or department in the normal course of business to further a legitimate purpose (for example, licensing fees at standard rates). However, Employees may not make a payment to a government agency if the Employee knows or has reason to believe it will ultimately be given to a Government Official for his or her personal benefit or for a purpose that is otherwise prohibited by this policy.

### B. FACILITATION PAYMENTS

A Facilitation Payment is a small payment made to expedite or secure routine governmental action (for example, to prioritize the processing of a passport or visa application). Although Facilitation Payments may be customary in a particular jurisdiction, MetLife strictly prohibits such payments.

#### **Attention**

If a Government Official requests a Facilitation Payment in order to perform a routine governmental action, the Employee must not make the payment and immediately notify the Global Anti-Corruption Unit.

There is one narrow exception to MetLife's policy prohibiting Facilitation Payments. MetLife will make an exception for circumstances if a payment must be made in order to prevent imminent physical injury or significant property damage. Such extraordinary circumstances may arise if an Employee or other person is threatened with imminent physical harm or danger, or if the Company's or Employee's property is threatened, and an official demands a payment from the Company to (i) refrain from



inflicting injury or property damage or (ii) act in his or her official capacity to prevent the harm or damage. If an Employee makes a payment under these extraordinary circumstances, he or she must immediately notify a manager and the Global Anti-Corruption Unit. The payment also must be accurately and properly recorded, detailing the particular incident of duress.

## XI. MERGERS & ACQUISITIONS

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Mergers and acquisitions present special concerns under international anti-corruption laws. An acquiring company that does not perform an effective and thorough due diligence review of a proposed merger or acquisition target runs the risk of being held accountable by authorities for the past or continuing anti-corruption violations of the company that is being acquired. The Global Anti-Corruption Unit will be involved at an early stage in any merger and acquisition activity. The Ethics and Compliance Officers of revenue producing lines of business will also notify the Global Anti-Corruption Unit of any significant (relative to the country and level of corruption risk) and probable merger and acquisition activity within their respective organization, and include the Global Anti-Corruption Unit on relevant merger and acquisition team as appropriate. Corporate Development, Mergers & Acquisitions, the Global Anti-Corruption Unit, the relevant Ethics and Compliance Officer, and the Law Department will jointly define the scope of anti-corruption due diligence.

Employees must immediately notify the Global Anti-Corruption Unit and Mergers & Acquisitions if, as part of the due diligence process, they discover any bribe and/or inadequate internal anti-corruption controls of newly acquired businesses or entities merged with MetLife.

### A. DUE DILIGENCE

When merging with or acquiring a company, due diligence efforts must occur both before and after a merger or acquisition agreement is signed, and must be reasonably structured to elicit whether the target company or division has paid bribes. In circumstances where MetLife's opportunity to conduct thorough due diligence pre-closing is limited, MetLife must consider whether it can proceed with the transaction given the enhanced risk and, if so, must be prepared to conduct a thorough examination of the target's operations immediately post-closing to detect and remediate any potential anti-corruption violations and risky conduct. In addition to completing any necessary remediation, post-closing, MetLife should embed its ABC program throughout the newly acquired company, perform any specific investigations in areas where information was previously limited or inaccessible, and initiate compliance audits and assessments.

The key questions to consider when conducting due diligence, include but are not limited to:

- Does the company have any history of bribery?
- Do the markets in which the company operates expose it to significant bribery risks – is it in an emerging/high risk market?
- Is a significant portion of the company's business with government or state-owned entities?
- What is the commitment of the company's management to countering bribery?
- Does the company have an adequate anti-bribery program?

- Do the company's owners, management or associated person present a potential bribery risk? For example:
  - Does the company have an opaque management structure?
  - Does the company use third parties?
  - What is the extent of gifts and entertainment and facilitation payments?

The due diligence steps that should be strongly considered include, but are not limited to:

- Assessment of the risk profile of countries in which the target company or any of its subsidiaries do business.
- Analysis of the risk profile of the industry or business activity involved (for example, is the industry or activity involved one in which a single Government Official or a few key officials may have disproportionate influence).
- Evaluation of the risk profile of any persons associated with the target (for example, have any officers been accused of unethical or criminal conduct).
- Analysis of the target's reliance on Third Parties to conduct business and the extent to which these Third Parties interact with Government Officials on behalf of the target.
- Review of the target's written policies, procedures, and training materials relating to anti-corruption.
- Review of internal audit and internal investigation reports conducted by the target's internal audit, corporate security, or law departments, as well as any related documents reviewed by the target's outside legal counsel.
- Interviews of officers and employees of the target or seller who may have had contact with Government Officials able to influence the target or seller's business.
- Interviews of senior compliance personnel of the target or seller to assess the target's or seller's anti-corruption compliance program and identify any corruption or compliance issues that may not be readily apparent.
- Review of the records, reports, and analyses prepared by the target's or seller's external auditors or accounting firms, if commercially feasible.
- Retention of an investigative agency to conduct an independent review of possible ways in which bribes may have been paid, including a review of available public records.

## B. REPRESENTATIONS & WARRANTIES

When considering a potential merger or acquisition, MetLife should seek appropriate representations and warranties by its merger target or the seller that provide confidence and assurance that the target or seller neither is violating, nor has in the past violated, international anti-corruption laws, or, alternatively, has affirmatively disclosed any and all such violations. If the merger target or seller is not prepared to provide such a representation, the reasons should be set forth in detail, assessed, and, if at all feasible, investigated. Consult the Law Department or outside counsel for specific contractual provisions that should be included in each transaction.

A representation by the merger target or seller of assets in an acquisition that disclaims knowledge of present or past anti-corruption law violations is, without more, insufficient to protect MetLife from the risk of inherited liability. For more guidance on anti-corruption due diligence for mergers & acquisition activity, see [Appendix L](#).

## XII. BOOKS & RECORDS

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MetLife Operations must maintain books, records, and accounts that fairly and accurately reflect MetLife's business transactions (including underlying income, expenses, profits, losses and disposition of assets) in reasonable detail.

The Company must devise and maintain a system of financial controls that are reasonably designed to ensure that transactions, including related payments, are (i) appropriately executed in accordance with the authority given by management; (ii) timely and completely documented in sufficient detail; and (iii) audited regularly.

Under this policy, the Company must maintain books, records, accounts and financial controls that meet these standards. The failure to maintain reasonably detailed and accurate books, records, accounts and appropriate financial controls, may result in liability under anti-corruption laws even if no bribe has been paid. Unless local law or the record retention policy of the particular MetLife business specifies a longer period of time, all records and supporting documentation must be maintained and readily retrievable for at least seven (7) years from the date that the record is created.

## XIII. DISCIPLINE & REPORTING VIOLATIONS

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### A. DISCIPLINARY ACTION

MetLife has zero tolerance for Bribery and Corruption. An actual or perceived violation of an anti-corruption law could cause serious damage to MetLife's reputation. Violations of anti-corruption laws, including the FCPA and UK Bribery Act, may result in severe criminal, civil and regulatory penalties for MetLife and its Employees individually, including imprisonment and monetary fines. MetLife will take appropriate disciplinary action against any Employee whose actions are found to violate anti-corruption laws and/or this policy. Disciplinary action may be taken against Employees who unreasonably ignore, fail to detect, or report such violations, as well as those who retaliate against other Employees who report such violations. Disciplinary action may include the immediate termination of employment.

### B. REPORTING VIOLATIONS

If an Employee knows of or suspects Bribery or Corruption activity, the Employee should immediately notify the Global Anti-Corruption Unit. All communications will be treated as confidential. Please refer to "MetLife Reporting Guidelines: Allegations of Corruption" ([Appendix I](#)) for reporting instructions and contact information. Subject to any applicable local laws, violations or suspected violations also may be reported anonymously by calling the Fraud Hotline.

#### Attention

Unexplainable or vague transaction descriptions, such as those labeled as "miscellaneous," "consulting fees," "commissions," "liaising fees" or "other" expenses are prohibited and may be a red flag for improper payments.

Unrecorded, false, inaccurate, incomplete, or mischaracterized transactions are prohibited.

MetLife will not retaliate against any Employee who reports any allegations of Bribery or Corruption in good faith. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, poor work assignments, and threats of physical harm. If an Employee believes he or she is being retaliated against, the Employee must

immediately contact his or her Local Compliance Officer. The right of an Employee for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

The Global Anti-Corruption Unit will coordinate with different functional areas to review escalated issues and/or potential violations of this policy, as needed. The committee will include relevant MetLife stakeholders, such as MetLife's Global ABC Officer, representatives from the Law Department, the local Operation's Compliance Team, local Operation business leaders, the Government Relations Department, and representatives of the relevant regional lines of business. The appropriate Local Compliance Officer will be consulted to determine whether a suspicious activity report should be filed on behalf of MetLife. Please refer to MetLife's Global Money Laundering Prevention policy and MetLife's Code of Conduct for specific details concerning reporting obligations for MetLife and its Employees.

## XIV. TRAINING

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The Global Anti-Corruption Unit is responsible for developing and delivering anti-corruption training to MetLife Employees and members of the MetLife, Inc. Board of Directors.

An online Global Anti-Corruption training course is required for all MetLife Employees every other year. New Employees must complete the online training course within thirty (30) days of hire. After completing each training course, Employees must complete the certification form found in [Appendix J](#). The Global Anti-Corruption Unit will develop appropriate anti-corruption training for MetLife, Inc.'s Board of Directors.

Each MetLife Operation is responsible for ensuring that appropriate Employees, including members of the Operation's Board of Directors (if applicable), complete required periodic anti-corruption training. If MetLife does not have management control of the Operation, at a minimum, the members of the Operation's board of directors who have been appointed by MetLife should receive appropriate anti-corruption training. Targeted training should be provided to Employees whose job duties and responsibilities present a greater Corruption risk to MetLife. On an annual basis, Local Compliance Officers must deliver face-to-face training to management in countries that have a CPI score less than 45. All local compliance training, including written training materials, should be delivered in the business Operation's local language. The Global Anti-Corruption Unit also will conduct periodic in-person training of Employees in locations that it views as presenting a relatively high risk of Corruption.

### Example

Targeted training will be provided to Employees who have more frequent contact with Government Officials or have internal control responsibilities.

Third Parties should be provided with a copy of MetLife's Anti-Corruption Brochure for Third Parties. In addition, as part of its required review and pre-approval of all high-risk Third Party Engagements, the Global Anti-Corruption Unit will assess and determine the extent, if any, to which Third Parties should receive anti-corruption training in light of the level of Corruption risk presented by the Engagement.

The Global Anti-Corruption Unit must approve all anti-corruption training materials provided to MetLife Employees. These materials include, but are not limited to, PowerPoint presentations, brochures, and manuals. In addition, any revisions, deletions and/or additions to previously approved materials must be reported to the Global Anti-Corruption Unit prior to conducting any training.

Local Compliance must maintain accurate records of all locally conducted training. Training records provide documentation for regulatory agencies and can also be used to identify gaps in knowledge, skills, and the abilities of MetLife Employees. The following information should be included in a training record: (i) name and title of Employee; (ii) date and location of the training; (iii) type of training and skills mastered; and (iv) proof of completion, including statements of compliance and attendance sheets. The attendance sheets should be reconciled to compare the actual number of Employees that attended a training session versus the intended target audience. If an Employee fails to attend a training session, Local Compliance must ensure the Employee is trained.

Each MetLife Operation must maintain the training records for a period of seven (7) years after the completion of any training.

## XV. DEFINITIONS

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1. **“Global Anti-Corruption Unit”** is the Global Anti-Corruption Unit of Corporate Ethics & Compliance. The Global Anti-Corruption Unit has central oversight of MetLife’s global anti-corruption compliance program.
2. **“ABC”** means Anti-Bribery and Corruption.
3. **“Anything of Value”** is broadly construed by regulatory authorities and for the purposes of this policy. It is not limited to tangible items of economic value, but can include anything the recipient would find to be an advantage or benefit. It includes, but is not limited to:
  - a. cash;
  - b. gifts;
  - c. entertainment, meals, and travel (even if associated with training);
  - d. training;
  - e. business, employment, or investment opportunities;
  - f. personal discounts or credits;
  - g. assistance to or support of Family Members (as defined below);
  - h. payment of medical expenses;
  - i. political contributions; and
  - j. charitable contributions
4. **“Bribery”** is directly or indirectly (through a Third Party) offering or accepting Anything of Value to (a) influence an individual or entity to improperly engage in an act, omission, or decision in the performance of some official, public, or business-related function; or (b) secure an “improper advantage” in order to obtain, retain or direct business.
5. **“Captive Agents”** are agents who exclusively sell MetLife products and services.
6. **“Charitable Donations”** are financial contributions to socially beneficial, non-political causes, such as charitable organizations or social initiatives.
7. **“Company”** includes all MetLife companies, branches, subsidiaries, joint ventures, and private equity investments, where MetLife has management control.
8. **“Corruption”** is any activity that involves the abuse of position or power for an improper personal or business advantage, whether in the public or private sectors.
9. **“CPI”** is the Corruption Perception Index established by Transparency International.
10. **“Engagement”** is any type of agreement, contract, purchase order or invoice.
11. **“Employees”** includes all MetLife employees, officers, and directors worldwide. It does not include independent board members, such as members of the MetLife Funds Board of Trustees, who are covered by the Director's Code of Business Conduct and Ethics.

12. **“Entertainment”** includes meals; sporting, culture, charitable or other events; business meetings, trainings and conferences.
13. **“Entity”** is any organization, which includes but is not limited to groups, associations, partnerships, corporations, unions or companies.
14. **“Executive”** is a MetLife employee who is an Assistant Vice President or higher-level employee in the first line of defense.
15. **“Ex-Gratia Payment”** is a voluntary payment to a customer where the company does not recognize an obligation to make the payment, but does so anyway out of compassion in extreme circumstances or to further good corporate citizenship. These only include payments where MetLife’s obligation is not in dispute and it is clear that there is no liability to pay.
16. **“Facilitation Payment”** is a small payment made to expedite or secure routine governmental action. Facilitation Payments are strictly prohibited under this policy.
17. **“Family Member”** includes a government official’s spouse, the government official's and the spouse’s grandparents, parents, siblings, children, nieces, nephews, aunts, uncles, and first cousins, the spouse of any of these people, and any other individuals who share the same household.
18. **“FCPA”** is the United States Foreign Corrupt Practices Act of 1977.
19. **“Gift”** includes clothing; merchandise; promotional items; tickets to sporting, cultural or other events where the provider is not present; Sales Contest rewards, when the reward is not captured as part of the agent’s total commission; or Anything of Value.
20. **“Government Official”** includes:
- An officer, employee or any person, whether elected or appointed, acting in an official capacity for or on behalf of a national, state, local or municipal government, including its legislature, departments, agencies, judiciary, instrumentalities and government or state-owned or controlled entities.
  - An entity controlled by the government. An entity is owned or controlled by the government if:
    - The government owns more than 50% of the Entity; or
    - The government exercises control over the Entity (for example, via board membership, control in fact, veto rights, or some other known factors).
  - Any person, whether elected or appointed, acting in an official capacity for or on behalf of any national, state, local or municipal government, government entity or Public International Organization (for example, an official advisor to the government);
  - An officer or employee of a Public International Organization;
  - A member of a country’s royal or ruling family;
  - An officer or employee of a political party or any party official;
  - A political party;
  - Any candidate for political office;

**Attention**

Governments may own or control enterprises which, at first, do not appear to be state owned or controlled entities (for example, state-owned hospitals, state-owned banks, government bailed-out financial institutions, public school districts, or fire and police departments). Officials and employees of these state-owned or controlled enterprises are included in the definition of Government Official.



- i. Employees of government-owned and government-controlled banks (or other state-owned businesses); and
- j. Insurance regulators and inspectors.

21. **“Improper Advantage”** is broadly construed and includes corruptly providing or receiving Anything of Value to or from a person in exchange for a benefit to which the Company may not otherwise be entitled. It is also an advantage not available to competitors or others in the industry.

**Example**

An Improper Advantage would include paying a bribe to a Government Official in exchange for obtaining favorable tax treatment, government approval or licenses, and invitations to submit bids for new business. However, an Improper Advantage would not include favorably resolving a tax dispute as a result of good faith negotiations with a Government Official.

22. **“Local Compliance”** refers to the compliance function reporting to the Ethics and Compliance Officer of each Operation in each country in which MetLife operates

23. **“MetLife”** includes all MetLife companies, branches, subsidiaries, joint ventures, and private equity investments, where MetLife has management control.

24. **“Non-Government Persons or Entities”** are private individuals, companies, or organizations.

25. **“OFAC”** is the Office of Foreign Assets Control, a division of the United States Department of Treasury charged with administering and enforcing US sanctions laws.

26. **“Operation”** means the MetLife business in each country in which MetLife operates. In certain countries, including the US, separate lines of business and/or separately regulated entities can be Operations.

27. **“Public International Organization”** includes organizations whose members are:

- a. Countries or territories;
- b. Governments of countries or territories;
- c. Any other Public International Organizations; or
- d. A combination of any of the above.

**Example**

The United Nations, the World Health Organization, and the International Monetary Fund are examples of Public International Organizations.

28. **“Sales Contests”** are contests organized by MetLife, where the contest rules and qualifying criteria are determined by MetLife and the rewards are offered to agents or distribution partners who satisfy the qualifying criteria.

29. **“Sponsorships”** are a form of marketing in which a company pays for all or some of the costs associated with a project or program in exchange for recognition.

30. **“Third Party”** is any individual (not employed by MetLife) or entity engaged (formally or informally) by the Company to act for or on behalf of MetLife, or provide MetLife with products or services. A Third Party includes, but is not limited to, the following: joint venture partner; agent; broker; intermediary; contractor/subcontractor; supplier; and distributor.

31. **“UK Bribery Act”** is the United Kingdom Bribery Act of 2010.



Appendix A: Gift & Entertainment Reporting Form

GIFT & ENTERTAINMENT REPORTING FORM

This form must be completed by a MetLife Employee to report gift and entertainment activity and obtain pre-approval when required.

I certify that this gift, meal, or entertainment is not being provided to induce the recipient to provide favorable treatment to MetLife, nor are there any upcoming business transactions or government actions that could give the appearance that this gift, meal, or entertainment is being provided to induce the recipient to provide favorable treatment to MetLife. I also certify that, to the best of my knowledge, the total value of gifts, meals and entertainment provided to the intended recipient by MetLife or any MetLife Employee during this calendar year is accurately reflected on this form.

Employee Name	Line of Business
Employee Title	Date

A. GIFT & ENTERTAINMENT INFORMATION

Type	<input type="checkbox"/> Gift	<input type="checkbox"/> Entertainment (including meals and training events)
Date	[The date the gift or entertainment was offered or received.]	
Retail Value	[The amount of the gift or entertainment in local currency.]	
Description of the Gift or Entertainment		
Purpose of the Gift or Entertainment		

**Third Party Recipient Information**

*This section should be completed when MetLife is **offering** the gift or entertainment.*

---

Name

---

Title

---

Company

Nature of Relationship between MetLife and Third Party Recipient

---

Total Value of Gifts YTD

---

Total Value of Entertainment YTD

*[The year-to-date (YTD) values should reflect the total amount in gifts and entertainment offered or received with the same individual in the calendar year.]*

Is the gift and/or entertainment reasonable in value and does it directly relate to MetLife business?

☐ Yes

☐ No

If no, please explain:

**Third Party Donor Information**

*This section should be completed when MetLife is **receiving** the gift or entertainment.*

---

Name

---

Title

---

Company

Nature of Relationship between MetLife and Third Party Donor

---

Total Value of Gifts YTD

---

Total Value of Entertainment YTD

## B. OTHER INFORMATION

Please complete all applicable questions.

### Government Officials

Are you offering the gift and/or entertainment to a government official or his/her family member(s)?

☐ Yes

☐ No

Is the government official a decision maker for his/her organization or does he/she have influence over MetLife business?

☐ Yes

☐ No

If yes, please explain:

---

---

### Gifts Received Greater Than \$100 USD

Would returning the gift to the donor lead to offense or embarrassment?

☐ Yes

☐ No

If yes, please explain:

---

---

Was the gift accepted on behalf of MetLife?

☐ Yes

☐ No

If yes, please explain what was done with the gift?

---

---

### Entertainment

Was a MetLife Employee present at the entertainment being offered to or received from the external party?

☐ Yes

☐ No

If no, the entertainment must be treated as a gift and provide a brief explanation:

---

---

## C. GIFT & ENTERTAINMENT PRE-APPROVAL

The Gift and Entertainment Pre-Approval Charts for Government Officials and Non-Government Persons is attached as an appendix.

### Pre-Approval by Line of Business

☐ Yes☐ No

**Manager/**

**Executive**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### Pre-Approval by Local Compliance (For Government Officials Only)

☐ Yes☐ No

**Local  
Compliance  
Officer**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

### Pre-Approval by Global Anti-Corruption Unit (ACU) (For Government Officials Only)

☐ Yes☐ No

**ACU Associate**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Date

Emails from the Global ACU may be attached to evidence Gift & Entertainment pre-approval.

## Appendix A: Gift & Entertainment Approval Charts

GOVERNMENT OFFICIALS PER PERSON/ PER CALENDAR YEAR			
Gifts	Amount Per Person/Per Calendar Year	Action	
	≤ <b>\$150 USD</b>	Prior approval by the Employee’s Manager. Report to Local Compliance within 30 days of the gift.	Prior approval from Government Relations also is required if the gift is exchanged with a US Government Official.
	> <b>\$150 USD</b>	Prior approval by the Executive in Employee’s reporting line, Local Compliance, and the Global Anti-Corruption Unit.	
Meals & Entertainment	Amount Per Person/Per Calendar Year	Action	
	≤ <b>\$50 USD</b>	Report to Local Compliance within 30 days of the event.	Prior approval from Government Relations also is required if the meal and/or entertainment is with a US Government Official.
	> <b>\$50</b> ≤ <b>\$150 USD</b>	Prior approval by the Employee’s Manager and report to Local Compliance within 30 days.	
	> <b>\$150 USD</b>	Prior approval by the Executive in the Employee’s reporting line, Local Compliance, and the Global Anti-Corruption Unit.	
<b>Attention:</b> Gift and Entertainment of US federal, state, and local/municipal Government Officials and employees are generally <u>not</u> permissible, with very limited exceptions. Employees must obtain pre-approval from Global Government Relations ( <a href="mailto:askgovrelations@metlife.com">askgovrelations@metlife.com</a> ) and the Global Anti-Corruption Unit before exchanging any Gift or Entertainment with a US federal, state, or local Government Official or employee. <u>This guideline applies even if the Gift or Entertainment of the US official or employee is occurring outside of the US.</u>			

NON-GOVERNMENT PERSONS PER PERSON/ PER CALENDAR YEAR			
Gifts	Reporting Not Required	Report to Local Compliance (within 30 days of the Gift)	Subject to Pre-Approval & Reporting
	Promotional/logo items	Gifts > <b>\$10</b> ≤ <b>\$100</b> (No approval required)	> <b>\$100</b> ≤ <b>\$1,000</b> or > 2 gifts of greater than minimal value (Manager approval)
	Mementos		> <b>\$1,000</b> or > 4 gifts of greater than minimal value (Executive approval)
Meals & Entertainment	Reporting not Required	Report to Local Compliance (within 30 days of the M&E)	Subject to Pre-Approval & Reporting
	Refreshments/meals brought into a business meeting	Events ≤ <b>\$400</b> (No approval required)	> <b>\$400</b> ≤ <b>\$1,000</b> (Manager approval)
	Minimal value items ≤ <b>\$10</b>		> <b>\$1,000</b> > 4 events (Executive approval)

Note: The amounts in the chart are in US currency, based on the conversion rate as of the first day of the month when the Gift or Entertainment is exchanged or approved. Certain countries may have thresholds that are lower than those shown above. Employees in those countries must adhere to the thresholds in their local adaptation of this policy. The thresholds in the tables are based on Gift and Entertainment exchanged with the same individual in the calendar year.

## Appendix B: Sample Expense Log

This log details all Gift and Entertainment expenses, Charitable Donations, Sponsorships, and Ex-Gratia payments relating to both Government Officials (including their Family Members) and Non-Government Persons.

Date expenses incurred	Expense Amount	Expense Type*	Reason for Expense	Third Party Name / Position	Company	Employee providing the G&E	MetLife Approver	Date of Approval	Offered / Received?	Government Official Y/N?

\* The expense includes Gift, Entertainment, Charitable Donations, Sponsorships and Ex-Gratia Payments.

\*\* As part of the expense reimbursement process, Local Finance must maintain a separate file of all Gift and Entertainment expenses incurred on behalf of both Government Officials and Non-Government Persons (the “Finance File”). On a monthly basis, the Expense Log and the Finance File must be reconciled. The reconciliation process requires Local Compliance to compare the total value of Gift and Entertainment expenses in the Expense Log against the total value of Gift and Entertainment expenses in the Finance File to ensure that all the expenditures were approved and accurately recorded.

## Appendix C: Warning Signs of Corruption

The following is a non-exclusive list of corruption warning signs to aide in the risk assessment of a Third Party.

### Geographic Location & Industry

- ☐ Third party resides and/or operates (as per the agreement) in a country perceived to be high risk for corruption based on the Corruption Perceptions Index. [To differentiate between high risk and low risk countries, the threshold in the Global Anti-Corruption Policy is a CPI score of 45].
- ☐ Third party belongs to an industry with a history of anti-corruption violations.

### Background & Identity

- ☐ Third party has an unusual business address, lacks a “real office” or staff to perform the required services.
- ☐ Third party has little or no experience in the industry, or unable to verify the third party is a legitimate business.
- ☐ Third party requests that his/her/their identity, or the identity of the party’s agents, brokers or other intermediaries, not be disclosed.
- ☐ Third party requests that the fact or amount of his/her/their compensation, or that of the party’s agents, brokers or other intermediaries, not be disclosed.
- ☐ Internet and media searches have revealed glaring problems related to the Third Party’s reputation for integrity.
- ☐ Third party, or its key employees, managers, or executives, appears on a denied entities/persons list due to national/international sanctions or as a result of past misconduct.
- ☐ Unexplained and/or illogical preference for certain agents, brokers, intermediaries, contractors or subcontractors.

### Selection

- ☐ Third Party was recommended by a customer.
- ☐ The retention of this specific third party was encouraged or required by a government official or a decision-maker in the private sector with whom MetLife has business dealings.

### Connections to Government Officials or Entities

- ☐ Third party, in the course of doing work for MetLife, will have frequent interaction with government officials, governmental agencies, or government-controlled entities.
- ☐ Third party is wholly or partly (directly or indirectly) owned by a government official/entity or has direct or indirect links with government officials/entities.
- ☐ Third party is closely connected to the political elite, or has family or business connections to government officials/entities.

## Payment & Compensation Structure

- ☐ Unusual upfront or excessive payments required (for example, high commissions, unusual large up-front payment, or substantial bonuses).
- ☐ Payments in cash rather than by company check or wire transfer.
- ☐ Payment made in the form of goods and services (“in kind” payments), rather than by check or wire transfer.
- ☐ Payments made by manual hand-written check rather than a company computer generated check.
- ☐ Payments for goods/services vary significantly from what is dictated by local custom or local law for similar goods/services.
- ☐ Payments to bank accounts in a foreign country outside of the one where the goods or services were rendered or where the third party resides or regularly works.
- ☐ Payments to anonymous (numbered) bank accounts.
- ☐ Payments to other parties for goods or services provided by the third party.
- ☐ Payments made on non-working days.
- ☐ Payments for anything but reasonable gifts and entertainment.
- ☐ Payments for gifts, entertainment, travel or other accommodations for relatives, friends or other affiliated persons of the third party.
- ☐ Lack of information and/or supporting documentation for services rendered.
- ☐ Lack of adequate records and/or supporting documentation with respect to any payment.
- ☐ Requests for direct payments to the third party for travel or other accommodations, when direct payment to vendors is feasible.
- ☐ Requests to disguise the nature of payments (for example, entertainment described as “training”).
- ☐ Third party requests false documentation (for example, false invoices or failure to report the payment to local fiscal authorities) or structuring of payments intended to circumvent or avoid regulatory agencies.
- ☐ Third party offers or requests extravagant or lavish gifts.
- ☐ Third party makes statements that a particular payment is needed to “get the business” or “make necessary arrangements.”
- ☐ Third party’s compensation is to take the form of a political or charitable contribution.

## Other Warning Signs

- ☐ Third party requests travel to vacation or resort setting, payment for extended “breaks, ” or sightseeing (for example, greater than 25% of the total time).
- ☐ Third party is reluctant or refuses to follow company policies and procedures.
- ☐ Third party is reluctant or refuses to cooperate in anti-corruption due diligence or other anti-corruption efforts.



# Appendix D: Third Party Engagement Checklist

## Overview

A Third Party, including a joint venture or other business partner, intermediary, agent, broker, or consultant acting for or on behalf of MetLife, is strictly prohibited from engaging in Bribery or other corrupt activity. A Third Party who acts improperly on behalf of MetLife may expose the Company and its Employees to liability. Therefore, this policy sets forth special requirements and procedures for assessing and mitigating the potential risk each Third Party poses to MetLife.

The following four-step process must be completed and forwarded to the relevant department for review and final approval prior to the execution of any new or renewal agreement, contract, or purchase order. This process does not apply to individual statements of work or purchase orders, which fall under master agreements that underwent this process and contain applicable anti-corruption language. This process also does not apply to MetLife insurance contracts entered directly with customers.

Any deviations from the requirements set forth by these guidelines must be reviewed and approved by the Global Anti-Corruption Unit. The Global Anti-Corruption Unit should be consulted if there is any doubt as to the application of these guidelines with respect to any agreement, contract, or purchase order.

This contracting process, including due diligence results, must be fairly and accurately documented and retained for at least (7) seven years from the end of the relationship with the Third Party.

## STEP 1: IDENTIFY THE BUSINESS RATIONALE FOR THE ENGAGEMENT

For every new or renewal agreement, contract, or purchase order, explain the business rationale for the Engagement and the Third Party’s ability to satisfy that business need.

Is there a legitimate business rationale for entering into this relationship? If yes, please provide details below. If no, do not proceed with this engagement.

Does the Third Party have the necessary expertise to satisfy this business purpose? If yes, please provide detail below. If no, do not proceed with this engagement.

Do you have any relationship with any employees or owners of the Third Party you are onboarding? If you answer is Yes, please escalate to Local Compliance immediately.

## STEP 2: ASSESS THE RISK OF THE ENGAGEMENT

Every proposed Engagement must be assigned a Bribery risk category – low, moderate, or high – as classified below. If in doubt about the level of risk associated with a proposed Engagement, consult with the Global Anti-Corruption Unit for guidance.

Using the Risk Assessment Chart on the following pages, what is the risk rating for this Engagement?  
*Check the applicable box.*

☐ Low

☐ Moderate

☐ High

Attention: All high risk agreements or purchase orders must be escalated to the Global Anti-Corruption Unit for enhanced review and pre-approval prior to engaging the Third Party. In collaboration with the line of business or functional area seeking to retain the Third Party, Local Compliance must complete the ABC High Risk Engagement Escalation Worksheet found in [Appendix F](#) based on due diligence information provided by the business or functional area and submit the form to the Global Anti-Corruption Unit.

Risk Assessment	CPI* Score ≤ 45	CPI* Score > 45
<b>High</b>	<p>One or more warning signs of corruption in <a href="#">Appendix C</a> have been detected.</p> <p style="text-align: center;"><b>OR</b></p> <p>The agreement is one of the following types below.</p> <ol style="list-style-type: none"> <li>1. Joint venture agreement</li> <li>2. Agreement related to procurement of licenses or registrations granted by a government entity</li> <li>3. Agreement with a current or former government official, their known family member or government entity</li> <li>4. Agreement related to distribution or sale of MetLife products or services to government entity or non-government entity</li> <li>5. Agreement with third-party who will interact with government entity, government official, government organization, or non-government entity on behalf of MetLife</li> <li>6. Any agreement with a new or existing broker for services other than sales</li> <li>7. Agreements for payments to a group customer for services (including access to customer's premises for sales purposes)</li> </ol> <p><b>All high risk engagements require pre-approval from the Global Anti-Corruption Unit.</b></p>	<p>One or more warning signs of corruption in <a href="#">Appendix C</a> have been detected.</p> <p style="text-align: center;"><b>OR</b></p> <p>The agreement is one of the following types below.</p> <ol style="list-style-type: none"> <li>1. Joint venture agreement</li> <li>2. Agreement related to procurement of licenses or registrations granted by a government entity</li> <li>3. Agreement with a current or former government official, their known family member or government entity</li> <li>4. Agreement related to distribution or sale of MetLife products or services to government entity</li> <li>5. Agreement with third-party who will interact with a government official, government entity or government organization on behalf of MetLife</li> <li>6. Any agreement with a new or existing broker for services other than sales</li> </ol> <p><b>All high risk engagements require pre-approval from the Global Anti-Corruption Unit.</b></p>
<b>Moderate</b>	<p>The agreement is the following type below.</p> <ol style="list-style-type: none"> <li>1. Agreement for development of MetLife business (strategy planning, consulting, or market surveys)</li> </ol>	<p>The agreement is one of the following types below.</p> <ol style="list-style-type: none"> <li>1. Agreement for development of MetLife business (strategy planning, consulting, or market surveys)</li> <li>2. Agreement related to distribution or sale of MetLife products or services to a non-government entity/ company</li> <li>3. Agreement with a new or existing broker who will interact with a non-government entity/ company on behalf of MetLife</li> <li>4. Agreement for payments to a group customer for services (including access to customer's premises for sales purposes)</li> </ol>
<b>Low</b>	<p>The agreement is one of the following types below.</p> <ol style="list-style-type: none"> <li>1. Agreement related to distribution or sale of MetLife products or services to individuals for standard compensation based on local market rates</li> <li>2. Agreement related to procurement from a private supplier with no known government connections</li> </ol>	

\* The **CPI** is Transparency International's Corruption Perceptions Index (<http://cpi.transparency.org>)

<b>Risk Assessment</b>	
<b>High</b>	<p><b>One or more warning signs of corruption in <a href="#">Appendix C</a> have been detected.</b></p> <p style="text-align: center;"><b>OR</b></p> <p><b>The agreement is one of the following types below.</b></p> <ol style="list-style-type: none"> <li>1. Real Estate development/project management agreements for Non-U.S. properties</li> <li>2. Real Estate development Joint Venture agreements for Non-U.S. properties</li> <li>3. Agreement with professional advisors to provide financial analysis and other investment related services in which a government official or government sponsored enterprise is involved</li> <li>4. Agreement with third party placement agents for the solicitation of non-U.S. clients for investment management services</li> </ol> <p><b>All high risk engagements require pre-approval from the Global Anti-Corruption Unit.</b></p>
<b>Moderate</b>	<p><b>The agreement is the following type below.</b></p> <ol style="list-style-type: none"> <li>1. Real Estate development/project management agreements for U.S. properties</li> <li>2. Real Estate development Joint Venture agreements for U.S. properties</li> <li>3. Agreement with professional advisors to provide financial analysis and other investment related services in connection with foreign investments in which a government official or government sponsored enterprise is not involved</li> <li>4. Agreement with third party placement agents for the solicitation of U.S. clients for investment management services</li> </ol>
<b>Low</b>	<p><b>The agreement is one of the following types below.</b></p> <ol style="list-style-type: none"> <li>1. Agreement for Third Parties to manage MetLife assets</li> <li>2. Agreement relating to management or leasing of MetLife owned properties</li> <li>3. Agreement with professional advisors to provide financial analysis and other investment related services in connection with U.S. investments in which a government official or government sponsored enterprise is not involved</li> <li>4. Brokerage services agreements</li> </ol>

### **RISK MATRIX FOR INVESTMENT CONTRACTS**

### STEP 3: CONDUCT DUE DILIGENCE ON THE THIRD PARTY

After MetLife has defined the business purpose for the relationship and determined the level of risk the Third Party poses, the main process of due diligence begins. The due diligence process for a Third Party classified as a low, moderate, or high risk is defined in the tables below.

Upon escalation, the Global Anti-Corruption Unit will determine the enhanced due diligence steps to be conducted for high risk Engagements, which may include a questionnaire to be completed by the Third Party. The Global Anti-Corruption Unit also may require the Third Party to review and complete the Third Party Anti-Corruption Policy Statement & Certification Form ([Appendix K](#)).

The line of business or function seeking to retain the Third Party must maintain detailed records and document each step in the due diligence investigation. All information obtained about the Third Party, and all efforts to obtain such information, should be recorded in a due diligence file.

The due diligence record should include discussion of how the Third Party came to the attention of MetLife, an evaluation of its qualifications and reputation, and the reasons why it was selected. If other candidates were considered and rejected, the due diligence file should reflect the reasons for their rejection. The due diligence record also should include all documentation relating to the risk assessment and due diligence processes, and the evaluation of red flags.

The due diligence file must be maintained by the line of business or function for the duration of the relationship with the Third Party and for at least an additional seven (7) years thereafter, or in compliance with local law, whichever is longer.

#### Low Risk Third Party Engagement

For a low risk Third Party Engagement, Employees must conduct standard due diligence. Standard due diligence requires basic Internet, database, and media searches. The Employees conducting the standard due diligence should look for any signs of corruption or other illegal activity on the part of the third party. For guidance on red flags to look for in conducting standard due diligence, please see [Appendix C](#). The results of the due diligence exercise may warrant a risk elevation (for example, re-categorization from low to high risk if negative news or corruption red flags are identified). If the results of the standard due diligence suggest elevated risk, enhanced due diligence must be performed as outlined in [Appendix E](#).

#### Moderate or High Risk Third Party Engagement

For a moderate or high risk Third Party Engagement, Employees must conduct enhanced due diligence. The requirements for enhanced due diligence are delineated in [Appendix E](#). The results of the due diligence exercise may warrant a risk elevation (for example, re-categorization from moderate to high risk if negative news or corruption red flags are identified).

### STEP 4: INCLUDE THE REQUIRED ANTI-CORRUPTION CLAUSES

#### Moderate or High Risk Third Party Engagement

A moderate or high risk Engagement must include the following provision in the agreement, contract, or purchase order. Any omission of or modification to this provision requires pre-approval from the Global

Anti-Corruption Unit. Wherever possible, the provision should include specific reference to the US FCPA and UK Bribery Act.

- Compliance with Anti-Corruption Laws. [Party], its officers, directors and employees, and anyone for whose acts or defaults it may be vicariously liable or anyone acting on its behalf, shall not offer or make any payments, or offer or provide anything else of value, to any person in violation of any applicable anti-bribery law in connection with or in any way relating to or affecting this Agreement. [Party] acknowledges that international anti-corruption laws, including the FCPA and the UK Bribery Act, prohibit any direct or indirect offer, payment or receipt of money or anything of value to/from any person (including but not limited to any government official, international organization, political party, party official or candidate for political office) for the purpose of obtaining, retaining or directing business, securing any improper advantage in the conduct of business, or inducing the improper performance of any public or business-related function. [Party] represents and warrants that in the performance of its obligations under this Agreement, or otherwise in connection with this Agreement, it has not offered or made, and agrees that it will not offer or make, any such prohibited payment.

### High Risk Third Party Engagement

A high risk Engagement must also include the following **mandatory** provisions in the agreement, contract, or purchase order. These provisions are strongly recommended for a moderate risk Engagement. Any omission of or modification to these provisions requires pre-approval from the Global Anti-Corruption Unit. Wherever possible, the provision should include specific reference to the US FCPA and UK Bribery Act.

- Termination/Suspension. MetLife shall not be obligated under this Agreement to take any action or omit to take any action that it believes, in good faith, would cause it to be in violation of any applicable law. MetLife shall be entitled to terminate this Agreement or suspend payments under this Agreement at any time prior to the termination date if MetLife believes, in good faith and on the basis of credible information, that a violation of the United States Foreign Corrupt Practices Act, the UK Bribery Act or any other applicable anti-corruption law, rule or regulation has occurred or is reasonably likely to occur by or on behalf of, or which is attributable to, [Party]. In the case of termination or suspension under this section, MetLife will have no obligation to make any payments under this Agreement or otherwise except for lawful services already performed and only if payment for such services does not violate any law. In the event of a breach of this Agreement, the Agreement shall be void *ab initio* without the requirement of any written notice of cancellation. Any claims for payment by [Party] with regard to any transaction shall be automatically terminated and cancelled.
- Assignment. [Party] shall not, either in whole or in part, assign any rights, duties or obligations under this Agreement (including payments that are due or will become due in the future) to any third-party, including any sub-contractor, without the express prior written approval of MetLife. Assignment shall be contingent upon conducting due diligence on the third party/subcontractor. Unless otherwise agreed by MetLife in writing, all services rendered under this Agreement will be performed by the directors, officers, or employees of [Party].
- Disclosure. Any Party may, at any time and for any reason, disclose the existence and terms of this Agreement to any Person such Party determines has a legitimate need for this information, including any government or government agency.

- **Audit Rights.** All services performed by [Party] under this Agreement, all invoices and requests for expense reimbursement submitted to MetLife by [Party], and all payments made to or benefits conferred by [Party] on third parties in the course of [Party's] performance of services under this Agreement, are subject to audit by MetLife, at its sole discretion, or by a third-party retained by MetLife. [Party] must fully cooperate in any audit that may be conducted. Upon notice of an intended audit, [Party] must, within [ ] days, make available to MetLife or a third-party retained by MetLife all invoices, supporting receipts and substantiation, and original entry records for all charges invoiced to MetLife, and make available for interviews, if requested by MetLife, all persons within the control of [Party] who performed services or incurred expenses, or are otherwise knowledgeable with regard to such services or expenses. [Party] must keep books and records that accurately describe in detail all services and expenditures for which [Party] seeks reimbursement from MetLife.

It is **strongly recommended** that a high risk Engagement also include the following provisions. Wherever possible, the provision should include specific reference to the US FCPA and UK Bribery Act.

- **Certifications of Anti-Corruption Compliance.** [Party] agrees to provide certifications of its compliance with section [X]<sup>3</sup> prior to any payment under this Agreement and/or every 12 months, at MetLife's discretion.
- **Compliance with MetLife Anti-Corruption Statement.** [Party] has reviewed MetLife's Global Anti-Corruption Statement and covenants to comply with such statement.
- **Indemnification.** [Party] will indemnify MetLife from and against all losses, liabilities, damages, deficiencies, judgments, assessments, fines, settlements, costs and expenses (including, but not limited to, legal costs) that MetLife suffers or incurs arising from or related to any violation of the US Foreign Corrupt Practices Act, UK Bribery Act or any other applicable anti-corruption law or regulation, by [Party], its Subsidiaries and Affiliates, and any director, officer, agent, employee or other person associated with or acting on behalf of [Party] or any of its Subsidiaries and Affiliates.
- **Payment.** [Party] acknowledges and agrees that MetLife will not make payments to [Party] in cash or bearer instruments, or to an account in a country other than that in which the services are performed and that no payments will be made, directly or indirectly, through any trust, intermediate Entity or other intermediary. [Party] also agrees that payments will be consistent with market rates and in lawful currency in the country where [Party] resides or where the services are performed.
- **Government Affiliations.** [Party] represents and warrants that none of its employees, agents or shareholders, and none of their close relatives (i) are government officials or (ii) have any personal, business or other connections, relationships or associations with any government official. [Party] covenants to inform MetLife in the event this representation is no longer correct at any time during the duration of this Agreement.
- **Periodic Reports.** [Party] covenants to provide detailed written reports of services performed under this Agreement to MetLife, as requested by MetLife from time to time.

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<sup>3</sup> Reference "Compliance with Anti-Bribery Laws" provision.



Comments:

**Low Risk Third Party:** (1) The Head of the Line of Business/Function seeking to enter into a business relationship with the Third Party must review these Guidelines and sign the statement below; or (2) the Local Compliance Department may review all low-risk agreements and purchase orders on a monthly basis to ensure compliance with Third Party risk level assessments.

**Moderate Risk Third Party:** The Head of the Line of Business/Function seeking to enter into a business relationship with the Third Party must review these Guidelines and sign the statement below.

**High Risk Third Party:** The Head of the Line of Business/Function seeking to enter into a business relationship with the Third Party must review these Guidelines, obtain approval from the Global Anti-Corruption Unit, and sign the statement below.

*I certify that the answers provided in this checklist are accurate and complete to the best of my knowledge, and that prior to engaging the third party I have completed all actions required of me under the Global Anti-Corruption Policy including:*

*(i) performed a risk assessment of the third party; (ii) conducted due diligence by collecting and reviewing relevant information about the third party, including structure and ownership, qualifications and expertise, and compensation and fee structure; (iii) fully investigated any gaps or red flags in the information collected; and (iv) where required, incorporated anti-corruption provisions into the agreement, contract or purchase order.*

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**Name of Line of Business/Function Head**

---

**Signature**

---

**Date**

---

**Name of Person completing this Form**

---

**Signature of Person completing this Form**

---

**Date**

## Appendix E: Due Diligence Guidance for Third Parties

### What is due diligence?

The purpose of due diligence is to examine the background of a prospective business partner in an effort to assess and mitigate the risk of corruption.

### Why is due diligence necessary?

Under the U.S. Foreign Corrupt Practices Act, U.K. Bribery Act, and other international anti-corruption laws, a company can be held liable for acts of corruption by a third party.

To avoid liability for the conduct of a third party, it is critical that MetLife investigate the background and reputation of a prospective third party in order to determine whether it has the requisite skills and experience to perform the work in question and will do so in a manner that fully complies with anti-corruption laws and MetLife's Global Anti-Corruption Policy.

### When does due diligence need to be conducted?

Enhanced due diligence is required when entering into a moderate or high risk engagement with a third party. Employees begin the third party engagement process and assess the risk level of the engagement by completing the Product/Services & Supplier Risk Assessment ("PSRA"). The PSRA includes the Pre-Assessment which contains anti-corruption questions that determine the engagement's risk level. The PSRA uses the same factors as the Risk Assessment Chart in **Appendix D** of the Global Anti-Corruption Policy to determine risk. The Risk Assessment Chart is designed to help MetLife Employees identify an appropriate initial risk designation for a third party and/or the contract type. The risk assessment will depend, in large part, on where the contract is entered into, using Transparency International's Corruption Perceptions Index and the type of contract. In addition, Employees should use **Appendix C** (Warning Signs of Corruption), which identifies a list of red flags that, if present, would automatically elevate the third party to high risk.

MetLife Employees should use the PSRA, Risk Assessment Chart, and the Warning Signs of Corruption to determine whether the third party presents a low, moderate, or high corruption risk. This will trigger the amount of due diligence to be applied.

### How to conduct due diligence?

The degree of third-party due diligence required will vary depending on the industry, size and nature of the transaction, and past relationship with MetLife. As a general principle, MetLife Employees should understand the qualifications and associations of a third party, including its business reputation and relationship, if any, with foreign officials. Employees also should have understanding of the business rationale for the third party relationship. It is important the role of and need for the third party and ensure that the contract terms specifically describe the services to be performed.

The Global Anti-Corruption Policy requires that enhanced due diligence be performed on a third party classified as moderate or high risk and standard due diligence be performed on a third party classified as low risk if no red flags are identified.

The **enhanced due diligence** requirements can be categorized into six board pillars (below) upon which background information on a moderate or high risk third party should be collected.

For a low risk third party, **standard due diligence** requires basic internet, database, and media searches (Pillar 4, below). The Employee conducting the standard due diligence should look for any signs of corruption or other illegal activity on the part of the third party. For guidance on red flags to look for in conducting standard due diligence, please see **Appendix C** of the Global Anti-Corruption Policy. The results of the due diligence exercise may warrant a risk elevation (for example, re-categorization from low to high risk if negative news or corruption red flags are identified). If the results of the standard due diligence suggest elevated risk, enhanced due diligence must be performed as outlined below.

### **1. Beneficial Ownership**

A beneficial owner is the individual or entity that directly or indirectly owns, controls or benefits from a company or trust fund and the income it generates. It is critical that the ownership of a prospective third party is established because ownership that is unidentified presents corruption risks. Anonymous corporate vehicles such as shell companies, trusts and foundations are the main vehicles used to hide the proceeds of corruption and criminal activity. MetLife must know who it is contracting with and how that party conducts business.

The beneficial ownership information can be obtained by asking the third party for the company registration documents. However, documentation provided by the third party purporting to evidence beneficial ownership must be independently verified. The beneficial ownership information also can be obtained from public registers. The website of the third party also may provide some useful information regarding beneficial ownership. In addition, the third party's financial report also may provide details of beneficial ownership and this can be verified against the company registration documents.

If the third party is reluctant to provide beneficial ownership information, or provides incorrect beneficial ownership information, caution is recommended.

### **2. Financial Background**

The financial background of a third party can be useful in determining whether there are corruption risks. The prospective third party's financial statement will provide a formal record of its financial activities. A basic assessment can be made about whether the third party's financial statements are consistent and commensurate with its purported size, the services it performs, the industry it operates in and how it markets itself.

It is not necessary to conduct a detailed review or to approach the financial statements as if conducting an audit but to simply look for any discrepancies and payments which may seem unusual or inconsistent.

The internet also can be a useful tool in determining whether there is any adverse news relating to the financial activities of the company. This information also will allow for an assessment of the financial viability of the third party, which depending on the contract may be an important consideration albeit not necessarily related to corruption.

### **3. Qualifications & Expertise of the Third Party**

A significant corruption risk can exist where a third party offers a service which it is not competent to provide, especially where it will be interacting with government officials. This is because the government official and the third party could be working in concert, and corrupt payments are made to the official. In order to mitigate the risk of actual corrupt activity and the perception of corrupt activity, it is important that there is a clear business justification for engaging the third party.

**4. History of Corruption & Negative News**

A fundamental step in the due diligence process is to determine whether there is any adverse news associated with the third party and, in particular, whether there is any history of unethical business practices, corruption or other criminal activity or investigations. This research can be performed with basic internet searches.

Public Information	Suggested Search Terms
<ul style="list-style-type: none"><li>• Internet searches of media, including national and local news</li><li>• Regulatory or court filings</li><li>• Other Websites<ul style="list-style-type: none"><li>○ U.S. Department of Justice</li><li>○ U.S. Securities &amp; Exchange Commission</li><li>○ System for Award Management</li><li>○ OFAC SDN List</li><li>○ U.S. Department of Commerce, Bureau of Industry and Security, List of Parties of Concern</li><li>○ U.K. Serious Fraud Office</li><li>○ World Bank List of Ineligible Firms</li><li>○ European Bank List of Ineligible Entities</li><li>○ European Union External Action</li><li>○ Interpol (Red Notices)</li></ul></li></ul>	<p>“<b>Name of the third party</b>” [and/or] “corruption”; “bribery”; “conviction”; “investigation”; “allegations”; “indictment”; “crime”/ “criminal”; “kickbacks”; and “customer review.”</p>

**5. References**

A company should determine the general reputation of the third party. The most straightforward means of assessing a third party’s reputation is to seek references from those who have worked with them previously. The third party can be approached directly for the contact information of individuals who will provide references, which can be verbal or written. If they are verbal, a written record should be made of the conversation.

A company should ask the following key questions:

- How long have you known the third party?
- In what capacity do you know the third party?
- Have you experienced any problems with the third party?
- Have you ever had any concerns of corruption with respect to the third party?
- Are you aware of any allegations of criminal activity against the third party or any of its employees?
- Do you consider the third party to be honest in its business dealings?
- Do you know if the third party has any connections with government officials or agencies?
- Do you know if any of the third party's employees or family members of the employees have any connections with government officials or agencies?

It may not be possible to obtain references for a third party that is a new entity and may not have existing relationships. In these instances, background research on the owners of the entity and general searches for adverse news can be relied upon.

## **6. Ethics & Compliance**

An assessment should be made of the third party's approach to due diligence and its compliance culture. There are a number of key indicators to assess a company's compliance culture.

- Does the third party have its own anti-corruption ethics and compliance program in place? If so, this will provide reassurance that the third party takes the issue seriously. If there is no ethics and compliance program, an inquiry should be made directly about how the third party intends to manage corruption risks. In particular, they may be asked how they manage gifts and hospitality or engagements that involve government intermediaries.
- Does the third party's senior management foster a culture of compliance, which is reinforced and implemented by middle managers and employees? This will indicate how much of a priority ethics and compliance is for the third party.
- Does the third party have anti-corruption policies and procedures? The third party should be asked to provide copies of its anti-corruption policies and asked about the anti-corruption training requirements of its employees. This is a good indicator of its compliance culture.
- Does the third party have its own due diligence process in place? If it uses subcontractors, how will it assess and address the risks which they may pose? It will be imperative that the company ensures that due diligence is conducted on subcontractors who perform work on the contract for which the third party has been engaged. Reminder: MetLife must pre-approve and perform due diligence on a third party's subcontractors.


## **What to do with the outcome?**

### **A. Evaluate Results & Identify Red Flags**




As part of the due diligence process, MetLife must review the information collected on the third party and look for any inconsistencies or red flags identified in [Appendix C](#) of the Global Anti-Corruption Policy. The presence of a red flag does not mean that MetLife cannot proceed with the third party business relationship. However, no red flag should be left unaddressed or unresolved. The line of business or function seeking to retain the third party is responsible for resolving red flag issues, which may involve more in-depth research, or a simple inquiry to the third party for clarification. This process can involve Local Compliance, the Global Anti-Corruption Unit, and the Law Department. It is critical that all Employees resolve issues and take appropriate steps to conduct business with reputable individuals and organizations, and to document these efforts.

The tables below identify the potential corruption risks associated with some of the red flags listed in [Appendix C](#).

#### **GEOGRAPHIC LOCATION & INDUSTRY**

<b>Red Flags</b>	
 Third party is in a country known for widespread corruption, as measured by the Transparency International Corruption Perceptions Index.	 Third party belongs to an industry with a history of anti-corruption violations.
<p>Although bribes may be paid or demanded in all countries, certain countries suffer from more corruption than others. When doing business in a country with a reputation for public corruption, a company must be particularly suspicious of any activity that may suggest that their employees or third parties are paying bribes.</p> <p>The industry in which the third party operates also is an important indicator of the risk associated with a party because some industries require more interaction with government officials than others.</p> <p>The nature of the contract also can be a useful tool in determining corruption risks. For example, contracts with sales agents who sell to government officials and/or governmental agencies will be high risk (for reasons in the next section). Whereas a contract is for rudimentary maintenance services, where work being performed by the third party leaves less room for corrupt activity to take place, will be low risk.</p>	

#### **CONNECTIONS TO GOVERNMENT OFFICIALS OR ENTITIES**

<b>Red Flags</b>	
 Third party, in the course of doing work for MetLife, will have frequent interaction with government officials or agencies, or state-owned entities.	 Third party was recommended by a government official.
 Third party is closely connected to the political elite, or has family or business connections to government officials or entities.	
<p>A third party that presents the greatest corruption risk is one that is a government official, connected to a government official, or one that is likely to interact with government official in the course of performance of a contract. This is because a government official is in a position of influence and could use this influence in relation to the contract or the contract could affect decision making in his or her official role. The government official and the third party could be working in concert, with corrupt payments being made to the government official. Although there may be no evidence of corrupt activity, the mere association with a government official could create the perception of a corrupt relationship.</p>	

Third parties recommended by government officials are frequent sources of anti-corruption investigations. Similarly, third parties who are related to government officials or who are former government officials may corruptly transfer part of their payments onward to other officials.

Third parties owned or controlled by government officials or entities requires careful monitoring, because practices that may be permissible with private persons or entities may be prohibited when employees of state-owned enterprises are involved.

## BACKGROUND & IDENTITY

### Red Flags

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>Third party has little or no experience in the industry.</li> </ul> | <ul style="list-style-type: none"> <li>The third party is a shell entity incorporated in an offshore jurisdiction.</li> </ul> |
|--|---|

MetLife should be suspicious if a third party does not appear capable of performing the services offered. When a third party does not have experience in the industry, it may be relying on making corrupt payments rather than actual expertise. This is especially the case where an inexperienced third party charges market or above-market rates. In addition, Employees should be particularly cautious of anyone who claims to have the ability to obtain licenses or other government approval without providing a description of the legitimate manner in which those goals will be accomplished.

A complex ownership structure is often used to shield assets or transactions from scrutiny and may be indicative of improper activity. The use of shell entities or aliases should trigger heightened scrutiny of the transaction to ensure that it is not a vehicle for corrupt payments.

## PAYMENT & COMPENSATION STRUCTURE

### Red Flags

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>Unusual high commissions, large-up-front payments, or substantial bonuses.</li> <li>Lack of transparency in expenses and accounting records.</li> </ul> | <ul style="list-style-type: none"> <li>Payments to bank accounts in a foreign country outside of the one where the goods or services were rendered or where the party resides or regularly works.</li> <li>Requests to disguise the nature of payments.</li> </ul> |
|--|--|

If payments for third party services are more than the local market rate, the difference may be used to make an improper payment. If the third party does not appear to have adequate staffing and facilities to warrant the fees that larger, reputable companies charge, the third party's "value" may be derived from improperly exploiting political connections, rather than from providing legitimate services.



Payments to offshore accounts and other unusual payment requests may be intended to disguise improper payments to government officials and requires additional scrutiny. A third party seeking to shield expenses, accounting records and other financial information from view could be trying to hide improper payments to government officials.

The value of the contract also is an important consideration; the more valuable the contract, the more potential risks will be associated with it and the more serious the potential implications will be should any corrupt activity take place.

## OTHER

### Red Flags



 Third party refuses to agree to anti-corruption provisions in its contract.	 Third party is reluctant or refuses to cooperate in anti-corruption due diligence investigation.
<p>If a prospective third party refuses to agree to anti-corruption contract provisions or other written certification, this may suggest that the third party may not intend to meet those standards.</p> <p>If the third party is reluctant to participate in the due diligence process, provide information or if there is a lack of transparency, this can be an indication of a corruption risk.</p>	

## B. Risk Mitigation

After a third party is selected and the due diligence process is documented, MetLife may take any number of mitigating measures to address potential corruption risks that may have been identified in the due diligence process.

### 1. Special Rules for a High Risk Third Party

To mitigate the corruption risk posed by a high risk third party, the contract must be escalated to the Global Anti-Corruption Unit for enhanced review and pre-approval.

The Employee(s) in the line of business seeking to retain the third party must escalate the contract to Local Compliance. Local Compliance must complete the ABC High Risk Engagement Escalation Worksheet ([Appendix F](#)) and submit the form to the Global Anti-Corruption Unit.

The Global Anti-Corruption Unit will review the Worksheet and determine how to proceed. Where the risk warrants additional due diligence, the Global Anti-Corruption Unit may require the following:

- a. the third party to complete a due diligence questionnaire ([Appendix G](#)); and
- b. the business seeking to retain the third party to complete a due diligence questionnaire ([Appendix H](#)).

In addition, the Global Anti-Corruption Unit also may require the third party to review and complete the Third Party Anti-Corruption Policy Statement & Certification Form ([Appendix K](#)).

### 2. Representations and Warranties in Third Party Agreement

Employees are required to include representations and warranties in an agreement with a medium or high risk third party. The complete list of contractual provisions can be found in [Appendix D](#).

### 3. Monitoring of Third Party

Employees should undertake the following monitoring measures to supervise the conduct of a third party on an ongoing basis: (a) periodic renewal or update of the risk assessment and due diligence process; (b) recurring Internet and database searches to identify new red flags; (c) a periodic review of the third party's payment requests and payments; and (d) tracking unusual or excessive expenses by the third party.

## Appendix F: ABC High Risk Engagement Escalation Worksheet



### ABC High Risk Engagement - Escalation Worksheet

Date:

Name of Person Completing the Form:

Country and Line of Business:

Contact Person in Line of Business:

High Risk Category (from ABC Risk Matrix):

Section I. Third Party Information	
Name and address of third party	
Third party's occupation / type of business	
Name of third party's primary contact(s)	
How was this third party selected by the business?	
Is the third party a government entity, owned by a government official, or owned by the family member of a government official?	YES: NO:
If "Yes," please explain.	
Section II. Purpose of Engagement	
Have you confirmed there is a legitimate business need for this engagement?	YES: NO:
Please explain the business need.	
Have you confirmed the third party has the skills/experience to meet the business need?	YES: NO:
Please explain why the third party has the skills/experience to meet the business need.	
What services will this third party perform for or on behalf of MetLife?	
Will this third party interact with any government official/entity for or on behalf of MetLife?	YES: NO:
If "Yes," Please explain.	
Section III. Payment Terms	
How much will the third party be paid for this engagement? Please explain why the amount to be paid is reasonable for this engagement.	
Have you confirmed that the amount of payment is consistent with local norms and standard market rates?	YES: NO:
Section IV. Enhanced Due Diligence / Red Flags	
What enhanced due diligence was conducted on this third party? Please identify the due diligence information and documentation collected.	
Upon conducting a negative news search on the third party and its owners/principals, did you identify any fines, investigations, or allegations related to corruption or unethical behavior?	YES: NO:
If "Yes," please explain.	
Was this third party recommended by a government official?	YES: NO:
Has this third party requested any unusual payments (including large upfront payments, payments in cash, payments to a third party bank account, or payments to an account in a different country?)	YES: NO:
If available, does the proposed contract/purchase order clearly state with specificity the services that will be performed or provided by this third party?	YES: NO:
Does this third party have a real office and adequate staff to perform the required services?	YES: NO:
Has this third party agreed to include all required high risk anti-corruption provisions into the contract/purchase order?	YES: NO:
<b>Please provide any additional relevant information below (including information that will help with the assessment of this engagement).</b>	

Appendix G: External Questionnaire



Questionnaire for Third Party  
(to be completed by the Third Party)

To ensure compliance with applicable anti-corruption laws and the MetLife Global Anti-Corruption Policy, MetLife requires certain categories of third parties with whom MetLife intends to enter into a business relationship or with whom MetLife does business ("Third Party") to provide certain information for MetLife's review. MetLife requests that you answer this Questionnaire fully and accurately. If any answer requires additional space, please attach the complete answer on a separate sheet of paper. Please attach all requested additional documents to this Questionnaire. If a question is not applicable, or if you do not know the answer, please so indicate.

I. General Information

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Name \_\_\_\_\_

Fax Number \_\_\_\_\_

Address \_\_\_\_\_

Website \_\_\_\_\_

Telephone Number \_\_\_\_\_

Email \_\_\_\_\_

II. OWNERSHIP & MANAGEMENT

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2.1 Who are the members of your organization's governing board?

2.2 Who are the principal officers of your organization?

### III. GOVERNMENT RELATIONSHIPS/CONNECTIONS

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- 3.1 To the best of your knowledge, is any key employee, manager, or executive of your organization a government official or former government official? If yes, please identify the individuals, the government positions they hold/held, and the government entity/agency for which the work/worked.

- 3.2 To the best of your knowledge, is any key employee, manager or executive of your organization related (by blood, marriage, current or past business association or otherwise) to a government official or former government official? If yes, please describe the relationship between such person(s) and the government official(s).

### IV. SCOPE OF THE RELATIONSHIP

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- 4.1 Do you have previous or current relationships with MetLife? If yes, when and for what purpose?

- 4.2 In what countries will your organization be providing goods or services to MetLife under this contract?

- 4.3 Will you be sub-contracting any of the services being provided? If yes, identify the name and address of the subcontractor, their relationship to you, and the activities they will perform.

4.4 In the course of the performance of this contract will you interact with government entities or government officials? If yes, identify the name, position, and government entity/agency.

## V. COMPLIANCE WITH LAWS

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5.1 Has your organization been subject to criminal or regulatory investigation? If yes, please provide a brief explanation.

5.2 Does your organization have a code of conduct and/or anti-corruption policy? If possible, please provide MetLife with a copy.

### Certification

By signing below, [\_\_\_\_\_] \* confirms that the information submitted in this Questionnaire and in any attachment is accurate and complete. [\_\_\_\_\_] \* understands that the provision of false or misleading information may result in the termination of any relationship that may exist or develop between [\_\_\_\_\_] \* and MetLife and that MetLife reserves any other remedies as may be appropriate if such termination may occur.

[\_\_\_\_\_] \* undertakes to inform MetLife as soon as there is any relevant change in the information provided in this Questionnaire.

---

Signature

---

Print Name

---

Title

---

Date

[\*Please insert the name of the Third Party]

## Appendix H: Internal Questionnaire



### Questionnaire for Third Party Engagements (To be completed by the MetLife Line of Business)

#### I. GENERAL INFORMATION

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By signing below, I certify that I have performed the due diligence and inquiries necessary to ensure that the answers provided in this document are accurate and complete to the best of my knowledge.

---

Print Name

---

Signature

---

Title & Line of Business/Function

---

Date

#### II. SELECTION OF THIRD PARTY

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2.1 Why is the proposed relationship necessary?

2.2 Why was the Third Party selected?

2.3 Has MetLife been asked or directed by someone to use this specific Third Party? If yes, by whom and why?

- 2.4 Is the Third Party an approved vendor? If your operation maintains a vendor blacklist, does the Third Party appear on the list?

- 2.5 What qualifications and expertise does the Third Party possess in order to perform the services under the proposed agreement?

- 2.6 What are the names and titles of the key employees who will provide products or services to MetLife?

### III. CONNECTIONS WITH GOVERNMENT OFFICIALS OR ENTITIES

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- 3.1 To the best of your knowledge, do any government officials or their family members have any interest or stand to benefit in any way as a result of the proposed agreement with the Third Party?

### IV. SCOPE OF THE RELATIONSHIP

---

- 4.1 Describe the nature of the proposed relationship, the services to be provided and the country where the services will be rendered by the Third Party. *In your description, please discuss:*
- a. Is the Third Party representing or otherwise acting for MetLife before government or regulatory entities or officials?
  - b. Is the Third Party assisting MetLife in obtaining any type of government or regulatory permit, certification, registration, license or approval; or performing lobbying activities on MetLife's behalf?

- 4.2 What is the value of the proposed contract and the payment terms? *Please indicate terms of payment, the amount of the payment and whether there will be a minimum or maximum amount of compensation. Also, indicate how the payment will be made (for example: wire transfer or check).*



- 4.3 Will the payments to the Third Party for its services vary from standard market rates or local norms/laws for similar services?

## V. DUE DILIGENCE & RED FLAGS

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- 5.1 Did you collect and review the Third Party's (i) qualifications and background; (ii) incorporation documents/bylaws; and (iii) applicable license documentation? *In your response, please discuss:*
- a. Is there anything in those materials that raises a concern about the Third Party? If yes, please describe these issues of concern and the Third Party's response when the issues were brought to its attention.

- 5.2 Did you research the Third Party's legal and regulatory compliance history, including any complaints, litigation, or regulatory actions? *If so, is there anything you found that raises a concern about the Third Party?*

- 5.3 Did you conduct a negative news search on the Third Party? Was there any negative news associated with the Third Party or any of its key employees, managers, or executives?

- 5.4 Did you contact the Third Party's references or former clients? *Please list entities/individuals that were contacted, including their address and phone number, how they know the Third Party, and all positive and negative information supplied with regard to such Third Party.*

- 5.5 Has the Third Party, or any employee, manger, or executive of the Third Party, made comments to the effect that any particular payment, contribution or other activity is needed to “get the business,” or “make necessary arrangements”? *If yes, please explain.*

- 5.6 Has the Third Party requested that any payment be made out to “cash” or “bearer”, or that payments be made in some other similar form? *If yes, please explain.*

- 5.7 Did the Third Party make a demand or request for an unusual or substantial upfront payment or bonus? *If yes, please explain.*

- 5.8 Has the Third Party requested that payment be made partly or wholly to a person or company other than directly to the Third Party? *If yes, please explain.*

- 5.9 Has the Third Party requested that payment be made in a country other than the one in which the services will be performed? *If yes, please explain.*

- 5.10 Are there any Red Flags (listed in the Global Anti-Corruption Policy/Appendix C: Warning Signs of Corruption) Associated with the Third Party? *If yes, please identify each red flag and explain.*

5.11 Has the Third Party refused to provide any information to MetLife necessary to complete any part of this questionnaire? *If yes, please explain.*

## VI. FINAL QUESTION

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6.1 Is there any basis to believe that the Third Party may make corrupt payments or are you aware of any reason why MetLife should not proceed to do business with this Third Party? *If yes, please explain.*

## Appendix I: MetLife Reporting Guidelines – Allegations of Corruption

MetLife has adopted a zero tolerance policy for Bribery and Corruption, whether committed by MetLife Employees or by Third Parties acting for or on behalf of MetLife.

MetLife strictly prohibits Bribery or Corruption in business dealings in both the private and government sectors. MetLife Employees must never improperly influence any act, decision or obtain any advantage on behalf of MetLife through Bribery or Corruption, nor may they accept Anything of Value that may appear to influence a business transaction or decision. Our Global Anti-Corruption Policy sets forth guidelines and procedures designed to mitigate Bribery and Corruption risks, promote integrity, transparency, and “doing the right thing” as an integral part of our corporate culture, and advance our reputation for trustworthiness throughout the world.

Employees must take reasonable steps to ensure that MetLife’s business partners and third-parties understand that MetLife expects them to act with the highest standards of honesty and integrity in any activity or business dealing engaged in on behalf of MetLife.

### Reporting Allegations of Corruption

1. MetLife Employees will immediately report by telephone or electronic mail any situation which they know or even suspect involves Corruption or Bribery to the Local Compliance Officer, Regional Compliance Officer, and/or the Global Anti-Corruption Unit.
2. If notification cannot be made safely, the Employee must notify one of the parties referenced above at the earliest, safe opportunity.
3. Upon learning of allegations of Corruption, the Local Compliance Officer will immediately notify the Regional Compliance Officer, who in turn, will notify the Global Anti-Corruption Unit and the Global Anti-Corruption Compliance Officer.
4. Employees who are served with process regarding a Corruption allegation, or who receive a written or oral request for information from a government agency regarding Corruption, must immediately notify the Global Anti-Corruption Compliance Unit prior to response.
5. All communications will be treated as confidential.

### Non-Retaliation

MetLife will not retaliate against any Employee who reports any allegations of Bribery or Corruption in good faith. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, poor work assignments, and threats of physical harm. If an Employee believes he or she is being retaliated against, the Employee must immediately contact his or her Local Compliance Officer. The right of an Employee for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated.

Questions concerning these guidelines can be addressed to the Global Anti-Corruption Unit at [anti-corruption@MetLife.com](mailto:anti-corruption@MetLife.com) or (212) 578-8775.

Appendix J: MetLife Employee Certification Form

I, \_\_\_\_\_, certify that I have received a copy of, and agree to comply with, MetLife's Global Anti-Corruption Policy.

I also agree that should I suspect or know of a violation of this policy, I will immediately report such suspected or known violation to my local compliance officer or the Global Anti-Corruption Unit (anti-corruption@metlife.com).

_____ Employee Name	_____ Line of Business/Function
_____ Employee Title	_____ Date

## Appendix K: Third Party Anti-Corruption Policy Statement & Certification Form

### Policy Statement

MetLife, Inc. and its subsidiaries and affiliates worldwide (collectively “MetLife” or the “Company”), are committed to maintaining high ethical standards and complying with all applicable laws. It is the policy of MetLife to comply with the US Foreign Corrupt Practices Act (“FCPA”), the UK Bribery Act, and the anti-corruption laws in each country in which the Company conducts business.

Corruption violates the public trust, threatens economic and social development and substantially impedes fair trade. Corruption is any activity that involves the abuse of position or power for an improper personal or business advantage, whether in the public or private sectors. Bribery is improperly influencing an individual or entity in any way to gain, or appear to gain, a benefit. This includes directly or indirectly (through a third party) offering or accepting anything of value to (i) influence a person or entity to improperly engage in an act, omission, or decision in the performance of some official, public, or business-related function; or (ii) secure an improper advantage in order to obtain, retain or direct business.

To maintain MetLife's global commitment to conduct business fairly, honestly and openly, and to comply with anti-corruption laws and regulations, MetLife has adopted a zero tolerance policy towards all forms of bribery and corruption, whether committed by MetLife officers, directors, or employees (“Employees”), or by a third party acting for or on behalf of MetLife. MetLife's Global Anti-Corruption Policy sets forth guidelines and procedures designed to mitigate bribery and corruption risks, promote integrity, transparency, and “doing the right thing” as an integral part of our corporate culture, and advance our reputation for trustworthiness throughout the world. The Company strictly prohibits bribery or corruption in business dealings in both the private and public sectors. MetLife Employees and third parties acting for or on behalf of MetLife are prohibited from offering or accepting anything of value to improperly influence a decision or obtain an advantage on behalf of the Company.

MetLife may be held responsible for the acts of a third party if bribes are made or even offered while performing services for or on behalf of the Company. When bribery involves government officials, the reputational damage and financial penalties to MetLife and its Employees may be greatly increased. Therefore, MetLife will not ignore activity or information that suggests a bribe has or is likely to be made through a third party. MetLife will take reasonable steps to ensure that a third party understands that it is expected to act with the highest standards of honesty and integrity in any activity or business dealing engaged in on behalf of MetLife.

### **Certification**

[Third Party] certifies it has read and understands MetLife's Global Anti-Corruption Policy Statement.

[Third Party] certifies that, in performing services and performing work under any agreement with MetLife, he/she/it and his/her/its affiliates, partners, owners, officers, directors, employees, and agents have not and will not receive, accept, pay, offer, promise to pay/receive, or authorize the payment/receipt, directly or indirectly, of any monies or anything of value to any person, including a government official, government employee, political party, or candidate for political office, for the purpose of influencing any act or decision of such person or to obtain or retain business.

[Third Party] certifies that, in performing work under any agreement with MetLife, he/she/it has been and is in full compliance with MetLife's Global Anti-Corruption Statement.

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**Name**

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**Company**

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**Signature**

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**Date**



## Appendix L: Anti-Corruption Due Diligence Guidelines for M&A Activity

Mergers and acquisitions (“M&A”) present a special risk under international laws and regulations. If an acquiring company does not perform a rigorous due diligence review of the proposed merger or acquisition target (the “Target”), regulators may hold the acquiring company civilly, and in some cases criminally, liable for the past or continuing violations of the Target. This may result in substantial penalties, fines, prosecution, and even imprisonment, not only for the wrongdoers, but also for responsible directors and officers. To avoid liability, legal, compliance and accounting personnel of an acquiring company (directly or through their outside representatives) must engage in thorough due diligence of the Target to identify potential regulatory issues and, in turn, determine whether any violations uncovered must be voluntarily disclosed, which is increasingly expected by the authorities. Simply put, pre-acquisition due diligence is essential for any acquiring company to protect against legal exposure and reputational harm<sup>4</sup>.

**Pre-Acquisition Due Diligence:** Global institutions should closely examine anti-bribery and corruption (“ABC”) issues before, during, and even after a M&A deal closes and remedy any potential compliance gaps the newly acquired entity may have. While inside and outside counsel should be consulted to determine the due diligence required for each transaction, authorities generally consider that extensive pre-acquisition due diligence should include at least the following:

- Conducting a pre-acquisition assessment of the risk to dedicate the appropriate level of time and resources necessary for the due diligence process.
  - **Note:** The first step in any pre-acquisition due diligence review should be to assess whether the ABC risks presented by the deal are low, medium or high based on, for example, the Target’s countries of operation, products, financing, customer base, transaction mix, business model and distribution sources. Targets that pose a higher risk indicate more due diligence may be required.
- Reviewing prior examination reports by the Target’s primary regulator, as well as correspondence between the Target and its regulators, to identify weaknesses in compliance programs which, in turn, may help direct the focus of due diligence efforts.
- Conducting a full assessment of the Target’s ABC compliance program, including policies, procedures, and internal controls, to determine the extent to which they have been implemented and differ from the acquiring company’s policies.
- Assessing the Target’s compliance culture to determine whether the Target’s Board of Directors and top management have instilled a culture of compliance throughout the institution.
- Performing a risk-based analysis of the Target’s customer base and products/services.
- Performing a forensic audit of selected transactions engaged in by the Target to gain an understanding of the volume and nature of the business flowing through the Target.

### Due Diligence Quick Tips

Key benefits to adequate M&A due diligence include:

- Knowing “who and what” the company is acquiring
- Minimizing potential liability for past activities of the Target
- Ensuring proper valuation and minimizing disruption to the transaction
- Identifying and avoiding future compliance issues
- Facilitating the integration of the Target company’s business into the acquiring company’s existing compliance programs

<sup>4</sup> Pre-acquisition due diligence also is important for accurately evaluating the Target’s value and allocating responsibility for any costs of non-compliant activity.

- Having the acquiring company's legal, accounting, and compliance departments review the Target's sales and financial data (focusing on high sales volumes in high risk countries), its customer contracts, and its third-party/distributor/JV agreements (focusing on large commission contracts in high risk countries and the underlying due diligence on these representatives).
  - **Note:** Relying on information provided solely by the Target may not be enough. Independent verification of critical information (for example, the validity of intermediary contracts, the ownership structure/interests of key business partners or customers, and third-party payment details) may be required. This includes conducting forensic due diligence by requesting the right to audit the books and records of the Target. This audit should be conducted pre-closing, if practicable.
- Reviewing the gift, travel and entertainment records of the Target company's top sales personnel in high risk countries.
  - **Note:** A forensic auditing firm may need to be retained to assist with this effort.
- Determining whether the Target transacts business with/involving any country subject to comprehensive sanctions programs and/or individuals/entities on any sanctions list.
- Engaging in discussions with the Target's General Counsel, Head of Internal Audit, and senior officers from Sales and Compliance regarding each risk, attendant compliance efforts, and any other major regulatory issues (including past and present enforcement actions, prior disclosures, and internal investigations) that have surfaced at the Target company over the past 5 years.
- Determining the impact of the acquisition on the acquiring company's compliance programs and risk profile.

Additional due diligence steps to consider include, but are not limited to:

- Assessing the risk profile of countries in which the Target or any of its affiliates do business;
- Analyzing the risk profile of the Target's industry or business activity;
- Evaluating the risk profile of key persons associated with the Target, including but not limited to senior management and the Board of Directors (for example, have any officers been accused of unethical or criminal conduct?);
- Reviewing Internal Audit reports or other internal investigation reports related to the Target's compliance program and/or any past allegations of impropriety;
- Interviewing officers and employees of the Target who may have had contact with officials in a position to influence the Target's business;
- Retaining an investigative agency to conduct an independent review of possible ways in which regulatory violations may have occurred, including a review of available public records; and
- Analyzing how the Target monitors accounts and transactions to identify reportable transactions and potential red flags;

All due diligence conducted must be timely, thoroughly, and accurately documented so that, if necessary, a regulator can clearly determine the steps undertaken by an acquiring company in the pre-acquisition stage.

**Escalation Procedures:** Employees must immediately notify the Global Anti-Corruption Unit ([anti-corruption@metlife.com](mailto:anti-corruption@metlife.com)) if, as part of the due diligence process, any violation and/or inadequate internal control of the newly acquired business or entity is discovered.

When due diligence is not practicable prior to acquisition of the Target for reasons beyond the acquiring company's control, or due to applicable laws/rules/regulations, the acquiring company should promptly start/continue to conduct due diligence subsequent to the acquisition and immediately report any violations or suspected impropriety that it discovers to the Global Anti-Corruption Unit.

**Contractual Provisions:** The acquiring company should attempt to protect itself through robust contract provisions, including indemnification against potential violations (including both payment of all investigative costs and any assessed penalties), audit rights to inspect the Target's books and records (pre-closing, if possible), and the right to terminate the deal or be reimbursed for expenses relating to the resolution of any violation uncovered between signing the purchase agreement and closing. In addition, the target should provide representations and warranties that the Target does not have any government officials with an ownership or beneficial interest in the company, has not made any payments or otherwise took action in violation of applicable laws, has affirmatively disclosed any and all such violations, and that all books and records presented to the acquiring company for review are complete and accurate.

A representation by a Target that disclaims knowledge of past or continuing violations may be deemed insufficient to protect MetLife from the risk of inherited liability. If the Target is not prepared to provide such a representation, the reasons why should be set forth in detail, assessed, and investigated.

**MetLife's Global Policies:** Section 11 of MetLife's Global Anti-Corruption Policy sets forth additional guidance on ABC due diligence in the M&A context. Please contact the Global Anti-Corruption Unit ([anti-corruption@metlife.com](mailto:anti-corruption@metlife.com)) with any questions.

## Top Ten Best Practice Principles for ABC Due Diligence in M&A Transactions

<b>Pre-Acquisition Due Diligence</b>	<ol style="list-style-type: none"> <li>1. Use MetLife policies as a reference point for the due diligence approach.</li> <li>2. Assess the Target’s “tone at the top” to determine if the Target’s leadership instilled a culture of compliance throughout the organization.</li> <li>3. The level of due diligence for the transaction is commensurate with each risk. <ul style="list-style-type: none"> <li>• The level of risk should be determined at the outset of the process to ensure that due diligence is undertaken effectively with sufficient depth and resources.</li> </ul> </li> <li>4. Due diligence begins early in the process to allow adequate due diligence to be conducted, so that findings may influence the outcome of negotiations and/or lead to further review when necessary.</li> <li>5. MetLife’s leadership should provide commitment to and oversight of the due diligence reviews <ul style="list-style-type: none"> <li>• Due diligence findings should be properly examined and understood at the highest level of decision-making during the transaction</li> </ul> </li> <li>6. Information gained during due diligence is timely and effectively communicated to MetLife’s management once the transaction has been completed. <ul style="list-style-type: none"> <li>• For example, information about the inadequacy of the Target’s internal procedures/controls should be used to initiate remedial action.</li> </ul> </li> <li>7. MetLife should request to examine the books and records and other financial data of the Target through a forensic audit.</li> </ol>
<b>Post-Acquisition Due Diligence</b>	<ol style="list-style-type: none"> <li>8. MetLife should continue to conduct due diligence immediately after purchase to determine if there is currently any suspected violation of applicable regulations and, if so, take immediate remedial action. <ul style="list-style-type: none"> <li>• Gathering sufficiently detailed information is a challenge of M&amp;A due diligence. When it is not possible to conduct adequate due diligence pre-closure, a full due diligence review should be carried out as soon as possible post-closure.</li> </ul> </li> <li>9. MetLife should ensure that the Target has or adopts adequate compliance programs equivalent to its own programs, including but not limited to: <ul style="list-style-type: none"> <li>• ABC contract controls, including specific ABC contract language, and G&amp;E controls;</li> <li>• Training requirements; and</li> <li>• Clear “zero tolerance” statements.</li> </ul> </li> <li>10. Any improper conduct detected through due diligence is reported to the Global Anti-Corruption Unit (<a href="mailto:anti-corruption@metlife.com">anti-corruption@metlife.com</a>) and authorities where appropriate.</li> </ol>

## ABC Due Diligence Checklist for M&A Transactions

This Appendix provides a checklist of key areas and questions to consider as an aid to due diligence in M&A transactions. This checklist is a general guide only and should not be used a “tick-the-box” approach for due diligence, which must be comprehensive in scope and carried out rigorously for each unique transaction.

<b>Due diligence process</b>	<p><b>Are ABC due diligence integrated into the due diligence process from the start of M&amp;A activity?</b></p> <p><b>Is the timetable adequate to complete effective due diligence for each risk?</b></p> <p><b>Have the deal and due diligence teams been trained on MetLife’s ABC program and applicable legislation?</b></p> <p><b>Is there a process for addressing any regulatory issues discovered during due diligence?</b></p> <p><b>Is the person responsible for due diligence at a sufficiently senior level to influence the transaction’s decision-makers?</b></p>
<b>Geographical and industry risks</b>	<p>Does the Target operate in countries where corruption is prevalent (for example, countries with a CPI score of &lt;45)?</p> <p>Does the Target operate in an industry/sector known to present a high risk from an ABC perspective?</p> <p>Does the Target operate in any country with a high level of government involvement in the Target’s business in that country?</p> <p>Are competitors suspected to be actively using bribery in the Target’s market?</p> <p>Is the Target located within close proximity to any sanctioned country?</p>
<b>Business model risks</b>	<p>Is the organizational structure largely decentralized, creating a risk of inconsistency in compliance programs across the Target’s operations?</p> <p>Does the Target implement and have oversight of compliance programs in its affiliates?</p> <p>Is the Target dependent on agents, consultants, distributors or other intermediaries to assist in its business?</p> <p>Does the Target have any Joint Venture agreements and, if so, what is each party’s respective ownership in the joint venture?</p> <p>Is the Target dependent on large contracts, critical licenses, or other forms of government approval?</p> <p>Does the Target have written policies and procedures to address risks related to doing business with intermediaries and third-parties (for example, by requiring ABC, contract language and due diligence reviews on the third-party)?</p> <p>Does the Target maintain due diligence and/or engagement files for agents and other intermediaries?</p> <p>Does the Target have audit procedures related to its agents’ and third-party intermediaries’ expenses, commissions, retainers, etc.?</p> <p>How does the Target pay its third-party agents and intermediaries?</p> <p>Does the Target require annual compliance certifications from business partners, agents, intermediaries, and other third-parties?</p> <p>Does the Target provide its policies and guidelines to its agents, distributors, and Joint Venture</p>

	partners?
<b>Organizational risks</b>	<p>Do the Target's board and leadership show zero tolerance for improper conduct and a commitment to ethical business conduct in their company?</p> <p>Has the Target's senior management previously carried out an assessment of the ABC risks in the business?</p> <p>Have there been any allegations of impropriety or convictions against any of the Target's board members, shareholders, management or employees?</p> <p>Does the Target have an active, independent audit committee that effectively oversees and tests for ABC compliance? If so, will the Target provide the results of those audits?</p>
<b>Government Officials</b>	<p>Are any government officials associated with the Target's intermediaries, agents, or other business partners?</p> <p>Are any employees, owners, or principles of the Target current or former government employees?</p> <p>Are any employees, owners, or principles of the Target related to or closely affiliated with any current or former government employees?</p> <p>Do the Target company's officers, directors, employees, or any of their family members hold any government positions or serve on the Board for any state-owned entities?</p>
<b>Books and records risks</b>	<p>Has the Target allowed for a forensic audit of its books and records, and underlying documentation, to assess the validity of the Target's financial transactions?</p> <p>Are the recipients of payments clearly identified and are financial transactions described in detail?</p> <p>Is there any evidence of payments/transactions that raise red flags of corruption and bribery (for example, evidence of payments made to countries other than where the recipient is located and/or where the services were performed, evidence of regular transactions/orders just below approval levels, unusually high compensation/commission without sufficient supporting detail, cash payments, etc.)?</p> <p><b>Note:</b> Refer to Appendix C of the Global Anti-Corruption Policy for a comprehensive list of corruption warning signs.</p>
<b>History of bribery/corruption or other illegal conduct</b>	<p>Has the Target provided a list and description of pending/threatened regulatory inquiries, investigations, or litigation related to bribery and other corruption?</p> <p>Has the Target, or any of its officers/directors, been involved in any bribery incidents/investigations not reported by the Target?</p> <p>Has the Target sanctioned any employees, officers/directors, or business partners in the past five years for violations related to bribery/corruption?</p> <p>Has the Target previously been accused or convicted of violating any law and, if so, what were the circumstances of the accusation/conviction as well as the outcome of any lawsuit/investigation?</p> <p>Has the Target or any of its officers/directors ever been the subject of any money laundering investigation by any government authority and, if so, were any fines or penalties levied against the Target?</p> <p>Has the Target provided a list and description of internal investigations into money laundering allegations, bribery/corruption allegations, or any other allegations of impropriety, over the past five years?</p>

	Does the Target maintain records, including hotline logs, related to allegations of impropriety and, if so, do those records raise potential violations?
<b>Anti-Bribery program and key bribery risks</b>	Does the Target have an anti-corruption policy in place and, if so, is the policy available in local language?
	Does the Target have a risk-based, anti-bribery program implemented in all operations?
	What controls are in place for gifts, entertainment, and travel expenses?
	Does the Target provide gifts, entertainment and/or travel to any government officials or their family members and, if so, are the expenses reasonable and properly recorded in the Target's books and records?
	What controls are in place for political contributions?
	What controls are in place for charitable donations and sponsorships?
	Does the Target make any charitable or political contributions in the country in which it operates and, if so, are those contributions legal and reasonable?
	What controls are in place for interacting with government officials?
	What controls are in place for contracting with / engaging non-MetLife parties?
	Does the Target prohibit facilitation payments?
	Does the Target have procedures in place for internal reporting of allegations of corruption?
	Does the Target have an appointed ABC Compliance Officer, at either a global or local level?
	Does the Target require periodic ABC training for all employees and ABC training for all new hires?
	Has the Target provided reviews, reports, or audits (internal or external, including from local regulators) carried out on the implementation and functionality of its anti-bribery program?
	<b>*Note:</b> In assessing the Target's ABC program, compare the Target's controls against those set forth in the Global Anti-Corruption Policy.