

## ANTI-CORRUPTION POLICY

### 1. INTRODUCTION

All of IAVI's dealings with third parties are to be carried out with the highest standards of integrity and in compliance with all relevant laws and regulations. Most countries have laws that prohibit corruption and bribery, some of which cover payments made abroad, including the U.S. *Foreign Corrupt Practices Act* (FCPA) and the UK *Bribery Act*. Sanctions for violations of these laws can include substantial financial penalties and imprisonment. Moreover, any taint of bribery and corruption could do substantial damage to IAVI's reputation as well as to our relationships with donors.

The General Counsel shall act as IAVI's *Compliance Officer*, with responsibility for administering this Policy and reporting to the Audit & Finance Committee any possible violations hereunder and the resolutions of such matters.

This Policy should be read in conjunction with IAVI's Whistleblower Policy, which protects the reporting of violations or suspected violations of law or corporate policies. In the event of any questions about this Policy, its interpretation, or any conflict between this Policy and any local laws or requirements, you should contact the General Counsel's Office.

IAVI has zero tolerance for corrupt activities of any kind, whether by employees, officers, directors, consultants, volunteers, advisory committee members, affiliates or third parties working for or on behalf of IAVI. This policy covers all IAVI employees, officers, and directors as well as consultants, volunteers, advisory committee members, affiliates, and other third parties working for or on behalf of IAVI and its affiliates (hereafter referred to as "You").

### 2. WHAT IS PROHIBITED

You may not make, offer to make, or authorize any "**payment**" or provide "**anything of value**," either directly or indirectly (i.e. through a third party), to any "**public official**," or at the request of any "**public official**," or indeed to any individual, or at the request of any individual, for the purpose of influencing, inducing, or rewarding any act, omission, or decision to improperly secure an advantage or improperly obtain or retain business. This prohibition includes "facilitation payments" (as defined below), regardless of whether such payments are allowed by the local country.

### 3. DEFINITIONS

The term "**anything of value**" includes, but is not limited to, cash or cash equivalents, stock, gifts, entertainment, services, employment offers, loans, travel expenses, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value and any other personal favors.

The term "**facilitation payment**" means an unofficial payment made solely to expedite or secure the performance of routine government actions that the payer already has a legal right to such as (1) obtaining licenses, permits and other official documents to qualify to do business in a foreign country; (2) processing governmental papers, such as visas and work orders; (3) providing police

protection, mail services and inspection of goods or of contract performance; (4) providing telephone service, utilities, loading or unloading cargo and protecting perishable goods from deteriorating; and (5) actions of a similar nature. Such payments can be illegal under the UK Bribery Act.

The term "**public official**" means: (1) any officer or employee (including any person nominated or appointed to be an officer or employee) of a government or department, agency, or instrumentality of a government (including a government-controlled enterprise, public universities and medical centers); (2) any person acting in an official capacity on behalf of a government or any department, agency, or instrumentality of a government; (3) any officer or employee of a company or business owned in whole or part by a government (including for example, journalists who work for state-owned media); (4) any officer or employee of a public international organization, such as the World Bank or the United Nations; (5) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; (6) any candidate for political office, (7) uncompensated honorary officials if such officials can influence the awarding of business; and/or (8) members of royal families who have proprietary or managerial interests in industries and companies owned or controlled by the government. Note that physicians and healthcare providers who are employees of a government health service are generally considered to be public officials, under the FCPA.

The term "**payments**" includes money, transfer of stock, bonds or any other property, the payment of expenses, the providing of services of any type, the assumption or forgiveness of any indebtedness, or any other transfer of goods, services, tangibles or intangibles that accrues to the benefit of the ultimate recipient or promotes his or her interests.

#### **4. COMPLIANCE**

You must be familiar with and observe this Policy. In particular, the following rules should be observed:

- (a) **Direct or Indirect Payments.** You may not use IAVI or personal funds for any purpose that would violate this Policy or the laws or regulations of the country in which you reside, work, or have any IAVI business dealings. You may not make any such payments or commit any acts prohibited by this Policy through any consultant or other party retained, directly or indirectly, by any affiliated company or joint venture involving IAVI.
- (b) **Employing Government Officials.** If any person acting for and on behalf of IAVI is also a public official, he or she must report his or her government position and responsibilities to the General Counsel. If any such Person acting for and on behalf of IAVI is to become a public official, he or she must report that change in status immediately to the General Counsel. The General Counsel after consultation with the Chair of the Audit & Finance Committee must give his or her written approval for the hiring or retaining of any public official to be an employee, officer, director, consultant, affiliate employee, volunteer or advisory committee member. The Chair of the Audit & Finance Committee shall advise the Audit & Finance Committee of any such situation.
- (c) **Payments to Government Officials.** You must report to the General Counsel the occurrence of, or any request from a public official, for a prohibited payment.

- (d) **Political Contributions.** IAVI funds, facilities or other assets may not be used to support a political party, committee or candidate. IAVI does not reimburse its personnel for political contributions.
- (e) **Issues Regarding Donors.** You may not offer or suggest that any donation made to IAVI will result in any favor, benefit or access to any public official with a relationship with IAVI. A donation to IAVI may not be used to try to gain an improper advantage in any business dealings with any public agency or official with a pre-existing relationship to IAVI.

## 5. CERTAIN EXCEPTIONS

The following exceptions to this Policy are intended to be narrowly interpreted.

If in doubt, do *not* make a payment of the kind below or provide anything of value, without seeking guidance from the General Counsel's Office.

- (a) **Infrequent Hospitality, Including Gifts, Meals and Entertainment:** Gifts, meals, and entertainment are never permitted if such hospitality could be construed, in the context of the facts and circumstances, to improperly influence, induce, or reward any act, omission or decision, or to secure an improper advantage in obtaining or retaining business. Gifts, meals and entertainment are *only* permitted if they are provided on an *infrequent* basis, are *modest* in the context of local standards, and do not exceed USD \$100 in value (or the local equivalent, taking into account different costs of living in different countries).

**Procedure:** Any hospitality expenses, including gifts, meals, or entertainment with a value *over* USD \$100, whether to be provided by third parties working for IAVI or IAVI itself, must have approval from IAVI's General Counsel's Office, in writing, in advance of the provision of such hospitality. Whenever possible, any gift should be given directly to the recipient *entity*, rather than to a specific individual.

- (b) **Travel, Inspections and Promotional Visits.** IAVI may pay for or reimburse, reasonable, proportionate and bona fide expenses associated with visits by *external* personnel, excluding public officials, to IAVI's facilities or project sites for the promotion, demonstration or explanation of IAVI's facilities and research activities or for the execution or performance of an IAVI contract or meeting. Reimbursement to a public official for travel expenses requires the prior written approval from the General Counsel's office.

Reimbursement is allowed for reasonable and bona fide expenses, such as meals, hotel accommodations and travel expenses, if allowed by the visitor's employer but is limited to the reimbursement of expenses for a *direct itinerary* from the point of origin to the location of IAVI facility or project site (i.e., no reimbursement of expenses for any side trips) for a person with a legitimate official reason for the visit (i.e., no reimbursement is allowed for expenses of a spouse or companion).

**Procedure:** Any hospitality expense, including gifts, meals (excluding any in-kind meals or refreshments provided), or entertainment should be reimbursed directly to the agency or entity, rather than to an individual public official,

whenever practicable. Before making any direct reimbursement, or offer of direct reimbursement, to a public official, you must first consult with Finance and the General Counsel's office.

(c) **Payments to Third Parties for Bona Fide Services**

Payments for legitimate services rendered to IAVI, as allowed under local law, should reflect the approximate fair market value for the services provided.

Payments to third-party government representatives, agents, consultants, lobbyists, distributors and other third parties for services, such as sales commissions, fundraising or consulting fees must be made solely for a bona-fide purpose and may not be used to improperly influence a public official or government agency toward IAVI or its programs.

**Procedure:** All arrangements for payment of any service provider, including any third-party government representative, agent, consultant, lobbyist, distributor or third party vendor, must be the subject of a written contract that contains the purpose of the expense, the amount paid and the circumstances; the payment must be made by check or other documented form of transfer, *not* in cash. Such agreement will be in a template or contract that the General Counsel's office has reviewed and approved.

6. **DUE DILIGENCE**

To ensure compliance with this Policy and relevant anti-bribery legislation, you must exercise special caution in selecting and using sales agents, distributors, or partners ("**agents**").

You are required to conduct reasonable due diligence about all prospective agents, before entering into any business relationship, and repeat such diligence when a contract or financial arrangement is renewed. The scope of the due diligence will depend up on the type of business relationship and the location of the business partner. Local IAVI employees and affiliate employees should alert and/or involve the General Counsel's office in such due diligence, where there are concerns about a specific agent or the potential for anti-corruption exposure to IAVI. IAVI employees and affiliate employees must consider the following factors as potential "red flag" concerns in doing such due diligence that should be raised with the General Counsel's office.

- Known issues or concerns about the reputation of the agent with IAVI employees and affiliates locally and/or with other local groups or organizations operating in that region.
- The amount of the requested commission or payment. A high-risk situation may exist when the commission is above the "going rate" for the service.
- Circumstances where an agent or proposed vendor requests that payments be made up front, only in cash, to a third party who is a relative of a public official, or provides a bank account in another country and/or under a different name from that of the intended recipient.

- Circumstances where an agent says that money is needed to "*make necessary arrangements*" or offered other vague explanations as to why the proposed payment is needed.

IAVI will include anti-corruption contractual provisions, appropriate for the particular business transaction, in all contracts.

## **7. DUTY TO REPORT**

IAVI requires that you report any and all actual, potential, or suspected corruption by any individual or organization with whom IAVI does business or involving any IAVI employee or affiliate employee. Failure to do so may result in liability for IAVI and for you personally. You have a similar obligation to report any information or knowledge of any hidden fund or asset, of any false or artificial entry in IAVI's books and records, or any payment that circumvents IAVI's internal financial processes. Such reports must be made immediately, upon learning of any actual, potential, or suspected corruption.

If you are unsure whether you are being asked to make an improper payment or provide anything of value, you must *not* make the payment or provide anything of value. Consult with the General Counsel's Office if you have any doubt about the propriety of the payment or the provision of the thing of value. You must also notify the General Counsel's Office (or make an anonymous report, as described below) if any third party, including a public official, approaches you or anyone working for IAVI, requests a payment or anything of value that you believe violates this Policy or any applicable laws and regulations. IAVI will not retaliate against any employee for reporting, in good faith, any violation of this or other policies.

Reports of any improper payment or any actual, potential, or suspected corruption can also be made on an anonymous basis by:

- Calling IAVI's whistleblower hotline (1.888.475.8376); or
- Filing a report online on the IAVI reporting portal (at <https://www.compliance-helpline.com/iavi.jsp>).

Reports to the hotline or online reporting portal are forwarded to the General Counsel's Office and to the Chair of the Audit & Finance Committee.

## **8. INVESTIGATION**

The General Counsel will investigate, or delegate the responsibility for investigating, any report of a possible violation of this Policy which is brought to his or her attention and provide legal advice if questions arise about the Policy. Upon the completion of an investigation, the General Counsel will review the findings with the Chair of the Audit & Finance Committee and take any actions that may be deemed necessary. The Chair of the Audit & Finance Committee is responsible for informing the Board of any such findings and actions.

## **9. VIOLATIONS AND PENALTIES**

Penalties for violating anti-bribery legislation can be severe. Under the FCPA, corporations are subject to criminal fines of up to \$2,000,000 and civil fines up to \$10,000 per violation. Individuals are subject to criminal fines up to \$100,000, imprisonment for up to five (5) years, or both. Individuals are also subject to civil fines up to \$10,000.

Under the UK Bribery Act, companies may be subject to unlimited fines, any contracts obtained as a result of a bribery offense may be found void, and the company may also be subject to debarment from competing in public contracts. Individuals are also subject to unlimited fines, as well as imprisonment for up to 10 years, or both.

Violations of anti-bribery legislation are *not* covered by directors' and officers' insurance, and individuals cannot be indemnified by their employer for such violations. IAVI takes its obligations to comply with anti-bribery legislation seriously.

Accordingly, employees who fail to follow IAVI's Anti-Corruption Policy, whether expressly stated in this Policy or otherwise, may be subject to adverse employment action, up to and including immediate termination, where warranted. IAVI may also terminate its relationship with any IAVI officer, director, consultant, affiliate, volunteer, advisory committee member or third party acting for and on behalf of IAVI who fail to follow IAVI's Anti-Corruption Policy and procedures.

**10. FURTHER INFORMATION**

If you have any doubt about the application of this Policy please contact the General Counsel's Office for guidance before proceeding with any course of action.