Anti-Corruption Compliance Guidance

Global Supplement for working with Public Officials

Principles based on co-founder Jim Howland's *The Little Yellow Book*, written in 1978

Hong Kong Zhuhai Macau Crossing
Hong Kong

Tideway Tunnel Improvements
London, England

U.S. Forces Korea Base Relocation Program
South Korea

London 2012 Olympic and Paralympic Games
London, England

Panama Canal Expansion Program
Republic of Panama
As Jim Howland states in the *Little Yellow Book*,

“The person closest to the action has the best chance of making the right decision – if the person is properly informed of the firmwide implications.”

At CH2M, we work on some of the largest, high-profile projects around the globe. Working globally has challenges, especially in the areas of bribery and other forms of corruption. Operating ethically in all of our global markets is a core value fundamental to our continued success. True to that core value, it is CH2M’s policy to strictly comply with anti-bribery and anti-corruption laws of jurisdictions where CH2M does business, including the United States Foreign Corrupt Practices Act and the United Kingdom Bribery Act.

This booklet is an easy-to-use guide to the basic principles underlying these laws against corruption and our anti-corruption policies, including Policy 112. Please take a few minutes to review this booklet and if you have any questions whatsoever, please do not hesitate to contact any member of the CH2M Legal Department or send an email to compliance@ch2m.com.

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In 1978, co-founder and former CH2M President James Howland wrote a collection of management quotations to capture the values on which our company was built.

The quotations became the basis for *The Little Yellow Book*, which is the foundation of The CH2M Way of doing business.

Learn more about The Little Yellow Book at: [www.ch2m.com/ethics](http://www.ch2m.com/ethics)
What are corruption and bribery?
Corruption is the abuse or misuse of power for personal gain. Bribery is a common form of corruption in which money, gifts, loans or other advantages are provided to a person in a position of power and/or trust as an inducement to secure an improper advantage in the course of business.

What is CH2M’s policy with regard to corruption and bribery?
CH2M has a zero tolerance policy toward corruption and bribery, wherever it occurs, and whoever it involves. Acts of bribery or corruption violate CH2M’s policies and are grounds for disciplinary action (including termination). Such actions can also lead to criminal convictions, fines and imprisonment. CH2M is committed to the highest ethical standards in the conduct of its business.

For more information, please see CH2M’s Policy 112 or contact CH2M’s Ethics and Compliance Team at compliance@ch2m.com.

What laws govern corruption and bribery?
CH2M and its employees across the world are subject to the U.S. Foreign Corrupt Practices Act of 1977 (FCPA) and the U.K. Bribery Act 2010 (UKBA) as well as to other international and nationally applicable laws and regulations.

- These laws prohibit directly or indirectly offering, promising, giving or authorizing anything of value to a “public official” in order to obtain an advantage in the course of business or other favorable consideration.
- These laws also include record-keeping requirements, which require that accounting books and records be kept in reasonable detail and that they accurately and fully reflect transactions (where such books and records do not conceal improper payments).

The UKBA specifically covers domestic and foreign public officials, and also covers corrupt transactions between private individuals and businesses, regardless of any involvement of a public official.
Who are public officials?
The term “public official” (sometimes referred to as a “foreign official”) is interpreted very broadly and includes all manner of officials, officers, employees, representatives and persons acting on behalf of any of the following:

- Any government, including federal, national and provincial governments, local/municipal governments, tribal, aboriginal, sectarian or community councils
- Political parties or candidates for office
- Administrative and judicial bodies, ministries, boards, commissions, councils, agencies and other government bodies (for example, courts, utility regulatory or management bodies, environmental protection agencies)
- Government-owned or controlled enterprises (for example, Crown corporations, development corporations and employees of state-owned oil companies and other corporations or entities over which government exercise direction and control)
- Publicly or government owned or funded organizations (for example the European Commission, the United Nations, the World Bank)

In general, relatives and close associates of public officials should be treated as though they are themselves public officials (in other words, bribing the spouse of a public official is treated the same as bribing the public official).

“A good test to determine if a contemplated action is ethical is to ask, ‘Would I want to see it in the headlines tomorrow morning?’”

— The Little Yellow Book
What are my responsibilities as a CH2M employee?

CH2M prohibits its employees and any person acting on behalf of CH2M (for example, agents and subcontractors) from offering, promising or giving anything of value to a public official or any other person (whether directly or indirectly through one or more intermediaries) in order to obtain an advantage in the course of business.

- “Anything of value” is interpreted broadly and includes bribes, money, meals, entertainment or hospitality, kickbacks, payoffs, commissions, gifts, prizes or any other consideration or arrangement.
- “Advantage in the course of business” is also interpreted broadly, and could include awarding contracts, agreeing not to oppose regulatory applications, waiving or disregarding regulatory requirements or any other considerations which might further CH2M’s (or its clients’) interests.

As set forth in Policy 112, CH2M employees must ensure that they obtain any internal approvals before proceeding with a transaction or activity that could possibly involve providing anything of value to a public official. In particular, recording and reporting for payments, gifts and entertainment must be accurate and complete.

Can I provide gifts, entertainment or hospitality to public officials for business development purposes?

The provisions of gifts, hospitality and other entertainment to public officials can, in some circumstances, constitute a bribe (for example, where the provision of a gift, hospitality or entertainment is intended to influence the decision of a public official in furtherance of a business advantage for CH2M).

Because the distinctions between proper gifts, entertainment or hospitality and a bribe are often complex, it is CH2M’s policy that any such gifts, entertainment or hospitality must be approved in advance in accordance with Policy 112, which requires the approval of the CH2M Ethics and Compliance Team. Note that
the provision of gifts or entertainment to public officials could create a perception that they are being provided in exchange for a business advantage.

In general, gifts, entertainment or hospitality to public officials are prohibited and require the prior approval of the CH2M Ethics and Compliance Team. Nevertheless, certain customary and appropriate gifts, such as a CH2M mug, hat or shirt, may be provided in the ordinary course of business as a small token of appreciation. The following chart is provided to help clarify the difference between appropriate gifts and bribes:

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<tr>
<th>Appropriate Gift</th>
<th>Bribe</th>
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<tr>
<td>Generally have nominal value, often has a symbolic value.</td>
<td>Generally higher in value than would be expected for a gift. Generally no symbolic value.</td>
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<tr>
<td>Generally given openly and directly, as its purpose is to build a business relationship.</td>
<td>Often given in secret or paid indirectly through third parties to conceal or obscure the identity of those involved.</td>
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<tr>
<td>No expectation that the recipient will alter his or her behavior.</td>
<td>Expectation or intention that recipient will alter his or her behavior (in other words, a quid pro quo arrangement).</td>
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<td>Public disclosure would not be embarrassing to CH2M or the recipient.</td>
<td>Public disclosure could or may be embarrassing to CH2M or the recipient.</td>
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<tr>
<td>Provided in a transparent fashion both to the recipient and is recorded in books and records.</td>
<td>Provided secretly (“under the table”) and not accurately recorded in books and records.</td>
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When questions arise, about whether providing any gift, entertainment or hospitality is appropriate, immediately contact compliance@ch2m.com.
What are my responsibilities with regard to third parties?

CH2M could be held liable for the acts of third parties (agents, subcontractors and other outside parties acting on behalf of CH2M), even if no one from CH2M authorized or is aware of such acts. For example, CH2M could be held liable for failing to adequately supervise a third party who directly or indirectly gives an improper inducement to a public official or anyone else to secure an improper advantage.

In every transaction that involves an agent, consultant, subcontractor, joint venture partner or representative or involves other circumstances where there may be a concern about compliance with the FCPA or UKBA, we must perform a due diligence investigation, as directed by the CH2M Legal Department, to provide assurance that the party is a legitimate and trustworthy enterprise that will comply with the FCPA, UKBA and any other applicable laws, and that other potential corrupt practice concerns are properly reviewed. These investigations must be conducted before entering into any agreement and at later stages in the event a red flag is raised.

Appropriate anti-corruption compliance assistance and training will be provided by the Company to any agent, sponsor, consultant or other third-party representative of CH2M and the directors, officers and employees of such parties as necessary. Please contact the CH2M Ethics and Compliance Team at compliance@ch2m.com if you have any questions about due diligence or training of any third-parties.

Red Flags

You must immediately report any suspicious or questionable circumstance to compliance@ch2m.com. While not exhaustive, the following is a list of potential warning signs, or “red flags,” that may indicate there is a corruption issue with a third party:

- A reputation for unethical conduct
- A request for an unusually large commission or payment, or a request that payment be made in cash
- A request for payments to another person or entity (rather than directly)
- A request for false invoices or other false documentation
- Insistence on anonymity
- Recommendation by a public official
- Lack of necessary staff, facilities, expertise or qualifications
- Refusal to sign anti-corruption contractual provisions
- Refusal to disclose owners, partners or principals
- Use of shell companies
- A close relationship with a public official
- Use of unregulated or foreign jurisdictions for banking transactions

If you have any questions on these matters or are in doubt with regard to the proper course of action, immediately contact the CH2M Ethics and Compliance Team at compliance@ch2m.com. Further, you must immediately report any suspicious or questionable circumstance to the CH2M Ethics and Compliance Team at compliance@ch2m.com.
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CH2M has designed The GuideLine to provide you 24/7/365 access anywhere in the world either by phone or online. You can contact The Guideline one of three different ways:
• Online: guideline.ch2m.com
• Toll Free in the US and Canada at +1.866.924.4843
• Caller Paid at +1.720.286.4843

Compliance Questions:
compliance@ch2m.com