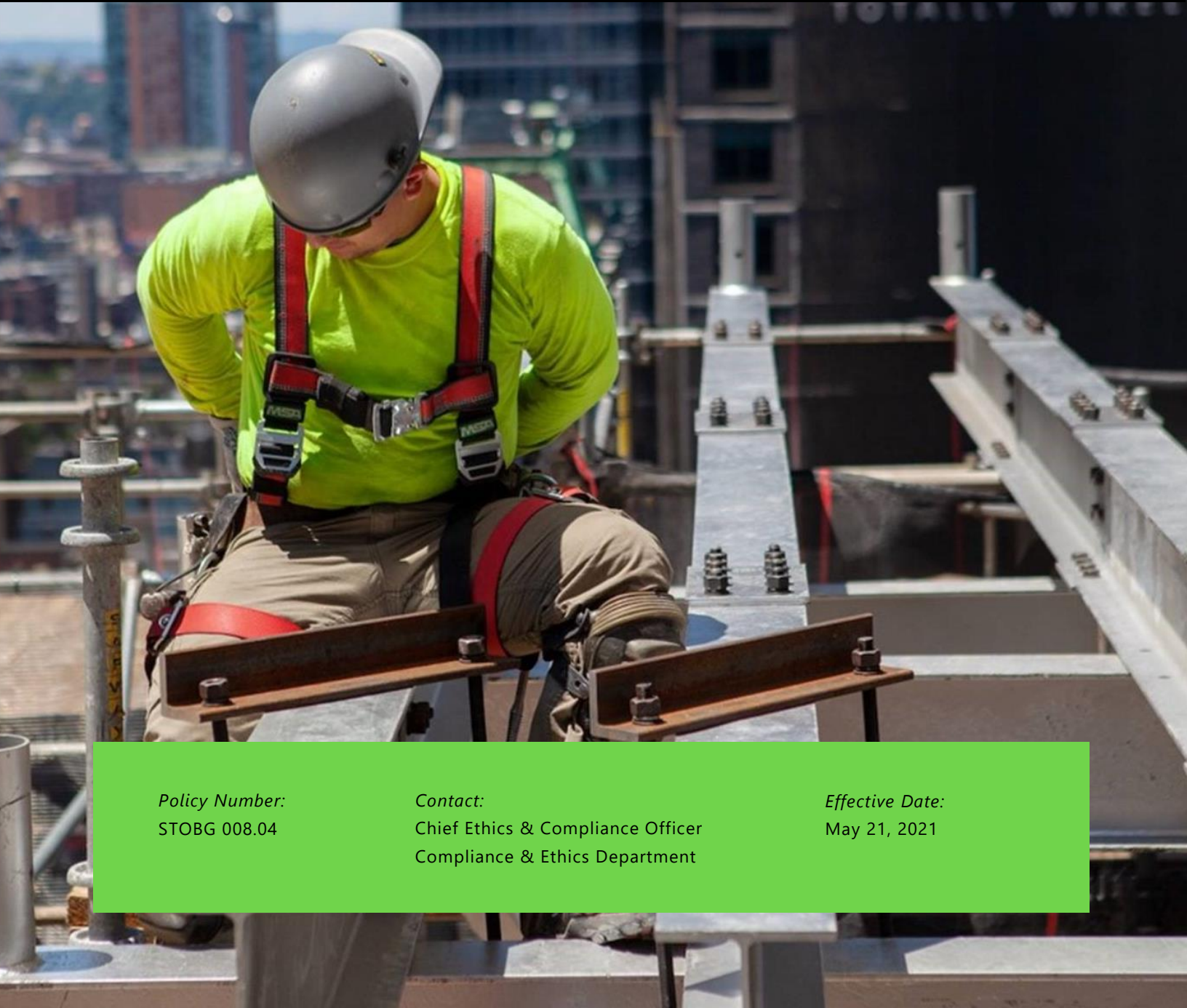


# Global Anti-Corruption Policy



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STOBG 008.04

*Contact:*  
Chief Ethics & Compliance Officer  
Compliance & Ethics Department

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# INTRODUCTION



At STO Building Group (“STOBG”), we are committed to doing the right thing—every day, for every client, on every jobsite. Corruption—which occurs when someone in a position of trust or authority, whether in the public or private sector, abuses that position in exchange for a personal benefit or business advantage—is completely contrary to our core values. It is also illegal and can expose both our employees and our company to serious fines, penalties, and reputational damage.

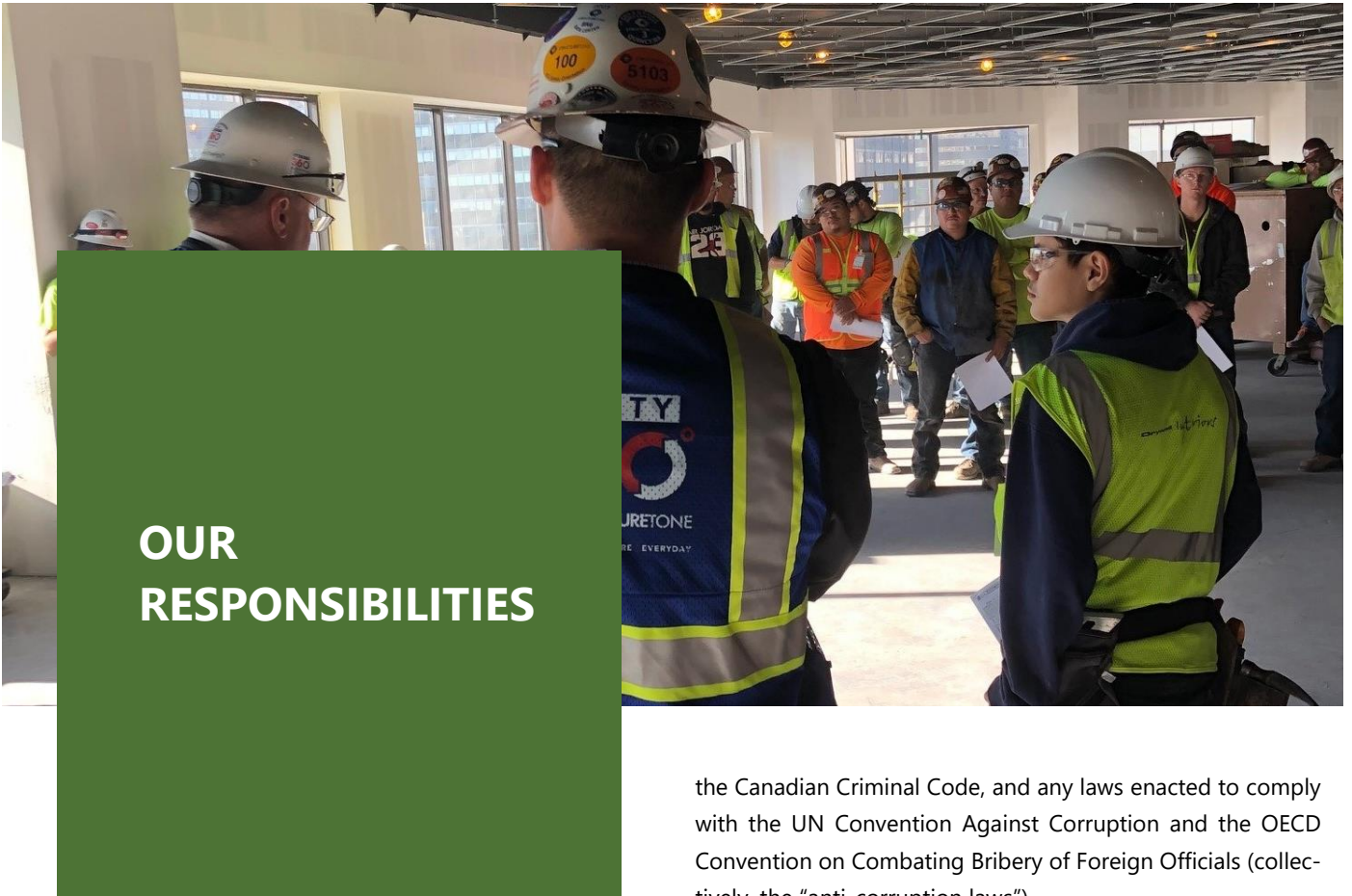
We’ve developed this Global Anti-Corruption Policy (“Policy”) to help you steer clear of corrupt practices and exercise caution in areas that present a

high risk of corruption or the appearance of corruption. The Policy is just one component of our anti-corruption program, which includes written procedures, training, third-party due diligence, anti-fraud controls, and internal compliance audits. We also periodically undertake a high-level, enterprise-wide risk assessment to ensure that our anti-corruption program addresses the actual risks our organization faces.

This Policy applies to each of the member companies of STO Building Group, and when we refer to “STOBG,” the “company” or “organization,” “we,” “us,” or “our” in this Policy, we mean the member companies of STO Building

Group, both individually and collectively. All employees of STO Building Group, its member companies, subsidiaries, and affiliates must follow this Policy, as well as members of STOBG’s board of directors when acting on behalf of our organization (collectively, “employees”). Our suppliers and other third parties acting on our behalf are also expected to follow this Policy through their commitment to our Supplier Code of Conduct and Ethics. This Policy is to be read together with our Code of Conduct and Business Ethics (“Code”), State and Local Government Projects Policy, Political Activities Policy, your member company’s gifts and entertainment policy, and our other company policies and procedures.





## OUR RESPONSIBILITIES

### We Comply With This Policy

Each of us must understand and comply with this Policy and complete any company training to assist us in doing so. Failure to comply with this Policy is a serious violation and may result in disciplinary action, up to and including termination, as well as civil or criminal charges.

### We Comply With the Law

We must comply with the letter and spirit of all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act of 2010 (UK Bribery Act), the Canadian Corruption of Foreign Public Officials Act (CFPOA),

the Canadian Criminal Code, and any laws enacted to comply with the UN Convention Against Corruption and the OECD Convention on Combating Bribery of Foreign Officials (collectively, the “anti-corruption laws”).

These laws can apply to employees and STOBG’s member companies anywhere in the world, regardless of nationality or location. Thus, even if your country’s anti-corruption laws permit certain conduct, you may be subject to the anti-corruption laws of another country that prohibit that same conduct.

Customs or local practices may never take precedence over legal requirements. You are responsible for understanding and complying with the anti-corruption laws relevant to your role and jurisdiction. Where applicable anti-corruption laws differ from the requirements of this Policy, you must follow the higher legal or ethical standard. If you’re unsure about how to comply with the law, contact the Compliance & Ethics Department.



If you wish to remain anonymous, you can also contact our 24/7 helpline, operated by a third party unaffiliated with STOBG, by calling the below toll-free numbers or visiting the online portal.

**Call toll-free:**

866.593.6479  
in the United States & Canada

0800.032.8483  
in the United Kingdom

1.8006.15403  
in Ireland

**Online:**

[structuretone.ethicspoint.com](https://structuretone.ethicspoint.com)

## We Speak Up

Preventing corruption is a responsibility we all share. You have a duty to promptly speak up if you suspect a violation of this Policy. Managers have a duty to act and to ensure that reports of potential misconduct made to them are promptly escalated and handled in accordance with our policies. Disregard of these duties may have serious consequences, both for the individual employee and for our organization.

We also have a responsibility to seek advice when we need it. Although this Policy is comprehensive, it can't address every situation or replace expert advice. Corruption issues are often ambiguous and highly dependent on context. What seems like a minor detail could mean the difference between a permissible activity and an illegal one. If you're unsure about whether doing something will violate this Policy, don't make the decision alone. Stop and ask for help from a company resource.

You can seek guidance from or report potential misconduct to any of the following company resources:

- your manager, department head, or business unit leader
- a member of STOBG executive management
- your compliance liaison or the Compliance & Ethics Department
- the Human Resources Department
- the Legal Department

Any reports made, whether anonymous or not, should include as much detail as possible to allow the company to investigate the matter appropriately.

Regardless of who you contact to make a report of potential misconduct, your concern will be handled promptly, thoroughly, and consistent with applicable law. Investigations, and the identities of those involved, will be kept confidential to the extent possible. The company will take action as appropriate based on the findings of its investigation.



## We Don't Retaliate

We pride ourselves on maintaining an environment where employees are encouraged to speak up when they suspect something is wrong. We have a strict Anti-Retaliation Policy to protect those who:

- make a good faith report about potential misconduct. "Good faith" means the person brought forward what they know in a sincere and honest report, regardless of whether the conduct turns out to be unethical.
- raise a concern or seek guidance about an issue.

- cooperate in an investigation of potential misconduct.

Allegations of retaliation will be investigated and, where substantiated, met with severe discipline, up to and including termination. If you know or suspect that retaliation has occurred, report the matter immediately to a company resource. If you prefer to submit a written report, you can use STOBG's internal complaint form for reporting harassment, discrimination, and retaliation, which is available on our intranet.



# DEFINITIONS

You should keep the following definitions in mind as you review and use this Policy.

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A **“gift”** is anything of value exchanged between a company employee and a third party for which the recipient does not pay fair market value. Examples of gifts include:

- tangible items, like gift baskets and bottles of wine
- branded promotional items
- use of facilities or physical property
- cash or cash equivalents, such as gift cards, vouchers, checks, money orders, stock, and stock options
- lodging and transportation
- services
- loans or forgiveness or guarantees of loans
- discounts or favorable terms on a product or service that are not otherwise available to company employees



**“Entertainment”** is a business courtesy where you attend an event or activity *with* a company client or business partner. Examples include meals, refreshments, parties, and cultural and sporting events (e.g., golf outings and hunting or fishing trips). Such business courtesies are considered entertainment only when *you are accompanied* by a company client or business partner. They are considered gifts when *you are not accompanied* (for example, a company business partner gives you tickets to a baseball game but does not attend with you). Entertainment is subject to different rules than gifts under our policies.

The terms “gift” and “entertainment” mean not only the actual act of giving or receiving, but also any *offer* or *promise* to provide a gift or entertainment in the future. When in doubt, apply the broadest reasonable meaning to these terms.



A company **“client”** is any person or entity for which STO Building Group performs services or reasonably could perform services in the future.

A company **“business partner”** includes current or prospective vendors, subcontractors, consultants, and any other third party with which STO Building Group does business or reasonably could do business. The term “business partner” does not include clients.



A **“government official”** includes any of the following and their close family members<sup>1</sup>:

- an official or employee of a government entity or subdivision
- anyone acting on behalf of a government or performing a government function, even if temporarily
- elected officials, candidates for public office, and persons acting on their behalf
- officers, employees, or persons acting on behalf of a political party
- officers, employees, or persons acting on behalf of a public international organization, such as the United Nations

**“Government”** includes all levels of government (foreign, domestic, federal, national, state, regional, provincial, local, tribal, or other) and all branches (executive, judicial, legislative, or administrative).

Employees of any entity that is wholly or partially owned or controlled by a government, such as government-run universities, school systems, hospitals, utilities, laboratories, financial institutions, and defense contractors, are also considered government officials for purposes of our policies. Employees and representatives of any entity that tenders a public construction project usually are considered government officials as well.

Employees of private sector entities are considered government officials when they act on behalf of a government (including any independent regulator) or when

they exercise a government function. For example, employees of certain private sector entities providing what are historically governmental functions, including certain K-12 educational institutions and higher educational institutions, correctional facilities, and libraries, may be considered government officials under applicable law. Additionally, if you are working on a project for a client receiving government funding or government benefits (such as tax breaks) in connection with that project, be particularly mindful that you may be dealing with individuals acting on behalf of the government or exercising a government function.

<sup>1</sup> “Close family members” include an individual’s spouse, domestic partner, person to whom the individual is engaged to be married, parents, grandparents, children, grandchildren, siblings, and any family member or other person who lives with or is financially dependent on the individual or on whom the individual is financially dependent.



## Examples of government officials

include the following individuals and their close family members:

Type of government official	Examples
Official or employee of a government entity or subdivision	Project manager for a state construction authority, commissioner of a county board, permit coordinator or inspector for a city building department, a customs inspector, firefighter, law enforcement officer, judge, diplomat or ambassador, First Nations (Indigenous Canadian) official, member of a royal family
Elected official	A governor, mayor, legislator, or council member
Candidate for public office	A candidate for the local legislature
Officer or employee of a government-owned or -controlled entity	The COO of a government-owned telephone company or bank, a procurement officer at a state university, a purchasing manager at a city-run hospital
Officer, employee, or representative of a public international organization	An employee of the International Monetary Fund (IMF), Red Cross, or World Health Organization (WHO)
Officer, employee, or representative of a political party	The head of a local political party
Private person acting temporarily on behalf of a government entity	A private consultant acting under government authority

If you have questions about who is considered a government official, contact the Compliance & Ethics Department.

## OUR ZERO-TOLERANCE APPROACH

Our policy is straightforward: we prohibit all forms of corruption. We will not tolerate any attempt to gain a personal benefit or business advantage through improper or illegal means—including bribery, anti-competitive collusive activity, or through gifts, political or charitable contributions, or other inducements. This is true whether the attempt is made directly by an STOBG employee or by others working on our behalf.

As our organization expands its geographical reach, we may be involved in projects in places where bribes and other corrupt practices are viewed as part of regular business practices. But you must always adhere to our Policy, regardless of what is considered permissible or customary in that location.

## ACTIVITIES THAT ARE PROHIBITED

### Bribery, Kickbacks, and Other Improper Payments

STOBG prohibits all bribes, kickbacks, and improper payments, even if local laws or practices permit or condone them. Simply put, we don't pay bribes to anyone, nor do we accept them.

Bribery includes promising or giving anything of value directly or indirectly to a third party (or their close family member) to improperly influence a business decision or secure an undue business advantage. For example, a bribe may be paid to induce the recipient to:

- change the selection criteria or other aspect of the bidding process to benefit the bribe giver;
- award a contract to the bribe giver;
- approve a license or permit for the bribe giver that otherwise would not have been granted;
- disregard regulatory violations by the bribe giver.

Both the giving and receiving of a bribe are prohibited by anti-corruption laws. Further, a corrupt act has occurred even if a bribe does not succeed or a bribe is authorized but not ultimately offered or paid. In other words, an attempt to bribe is a prohibited act in itself.

A bribe can take many forms other than a cash payment. It can be anything of value, and there is no minimum monetary amount for something to be considered a bribe. Any of the following can be a bribe:

- assuming or forgiving a debt
- business opportunities
- cash and cash equivalents, like gift cards
- favorable contracts
- gifts, entertainment, meals, and travel expenses
- job or internship placements
- loans
- per diem allowances
- political or charitable contributions
- rebates and discounts
- services
- sponsorships

A kickback can be thought of as a backward bribe. While a bribe is intended to induce the recipient to take some action, a kickback occurs when a party gets money or some other reward (a "piece of the action") after the action has been taken. For example, a government official who approves contracts might require that any party awarded such a contract pay them a percentage of the contract price.

## Commercial Bribery

Corruption is often thought of as something that involves government officials. The prohibitions in this Policy, however, apply equally to bribery involving private sector individuals, known as “commercial bribery.” Many anti-corruption laws, including those that apply to STOBG, prohibit bribes among private sector employees as well as government officials.

## Failing to Prevent Bribery

Some anti-corruption laws prohibit not only corrupt acts, but also failing to prevent corrupt acts. For example, the UK Bribery Act—which can reach conduct that takes place outside of the UK—makes it a crime for a company to fail to prevent bribery when an “associated person” (someone performing services for or on behalf of the company) bribes another person in order to obtain or retain business or a business advantage for the company.

## FAQs

**Do anti-corruption laws prohibit bribe receiving or do they punish only those who pay bribes?**

Many anti-corruption laws criminalize both giving and receiving bribes, so you need to be cautious both when you provide things to third parties and when you receive them. Anti-corruption laws may also criminalize offering and soliciting a bribe, even if the bribe was never paid.

**In my role at STOBG, I only deal with private sector clients within the United States. Do I need to be concerned about bribery?**

Yes. While almost all anti-corruption laws prohibit bribery and other improper transactions involving government officials, many—including the laws to which STOBG is subject—specifically prohibit bribery and improper transactions among private sector employees, so-called “commercial bribery.”

## Facilitation Payments

STOBG prohibits all facilitation payments (also known as “grease payments” or “expediting payments”). These are payments, typically small in amount, made to facilitate or speed

up a routine governmental action that a government official is already obligated to perform. Examples include:

- payments made to a government official to expedite processing paperwork, clearing goods through customs, or issuing a permit, license, or visa;
- payments to an employee of a government-owned utility company to have service started or restored.

Fees paid directly to a government agency for expedited service in accordance with a government-published fee schedule do not count as facilitation payments (for example, a published “express” fee to get a visa or passport more quickly from a consulate). If you’re unsure about whether a requested payment is a legitimate government fee or an improper facilitation payment, contact the Compliance & Ethics Department.

In some places, facilitation payments may be accepted as a cost of doing business, and some anti-corruption laws allow for facilitation payments in certain circumstances. **But STOBG prohibits all facilitation payments, even where local law or custom allows them.** Be on alert for requests for a facilitation payment, which often are made in connection with unforeseen costs, taxes, or fees or to expedite service and are not supported by adequate documentation. Promptly contact the Compliance & Ethics Department if you’re ever asked to make a facilitation payment.

## If You’re Asked to Pay a Bribe

If you’re asked to pay a bribe or other improper payment, you should politely refuse to carry out the request. If the person making the request continues, inform them of our zero-tolerance policy and the anti-corruption laws to which we are subject. You must then immediately report the incident to the Compliance & Ethics Department, your business unit leader, or a member of STOBG executive management.

Although unlikely, a demand for a bribe or other corruption-related demand may come with a form of extortion, including the threat of violence or personal harm. If you’re faced with an immediate and credible threat to your or someone else’s physical safety, you are authorized to make the requested payment. Report the situation as soon as possible.



## Collusive Practices

STOBG is committed to free and open competition. Both public and private sector clients often rely on a competitive bidding process to achieve that end. Collusive practices, like bid rigging and price fixing, defeat that process because companies that are required to compete instead conspire to affect prices and outcomes. STOBG will not tolerate any attempts to collude on project bids or otherwise engage in anticompetitive behavior such as:

- **Bid rigging.** An agreement among competitors to determine in advance who will submit the winning bid on a contract that requires competitive bidding. Bid rigging takes many forms, including:
  - *Bid suppression* – competitors agree not to bid or withdraw a previously submitted bid so that the predetermined winner's bid will be accepted.
  - *Complementary bidding* ("cover" or "courtesy" bidding) – competitors submit token bids that are too high to be accepted or contain special terms and conditions that won't be acceptable to the buyer. These bids aren't intended to secure the buyer's acceptance but are merely designed to give the appearance of competitive bidding.
  - *Bid rotation* – all conspirators submit bids but take turns being the winning bidder. The terms of the rotation may vary; for example, competitors may take turns according to the size of the contract and the size of each conspirator company.
  - *Bid tailoring* – the buyer structures the contract specifications to ensure that they favor a particular bidder.
  - *Phantom bids* – dummy companies are created to submit bids to give the appearance of vigorous competition.
  - *Subcontracting* – competitors who agree not to bid or to submit a losing bid receive subcontracts or supply contracts from the successful bidder.
- **Price fixing.** This occurs when competitors agree on pricing rather than competing against each other. Price fixing

can take many forms, and any agreement that restricts price competition violates the law. Examples of price-fixing agreements can include those below when they artificially restrict competitive pricing:

- prices for selling or buying goods or services
  - minimum prices or price schedules
  - a formula for pricing or discounting goods and services
  - price differentials between different types of goods or services
  - discounts, rebates, allowances, or credit terms
- **Market division.** An agreement among competitors to divide markets among themselves. Competing firms may allocate specific customers or types of customers, products, or territories.

## FAQs

### Are there "red flags" that indicate bid rigging, price fixing, and other collusive practices?

You can use this four-part "MAPS" analysis—which looks at the market for a particular award, the applications submitted by vendors, patterns among competing vendors, and suspicious behavior—to help prevent and detect collusion:

1. Who is in the **market** for this award? Indicators of collusion may include the following:
  - There are few vendors in the market that fit the award criteria, or only a few vendors control a large share of the market.
  - The good or service needed is standardized, such that the determining factor in the award is price, rather than other competitive factors (such as design, quality, service, or expertise).
2. Are there similarities between vendor **applications** or proposals? Indicators of collusion may include the following:
  - Multiple proposals contain similar handwriting, typos, or mathematical errors; are sent from the same address or courier account; or reflect last-minute changes to price quotes.

- For electronically submitted proposals, the file properties show that a single user created or edited multiple proposals.
3. Have **patterns** developed among competing vendors? Indicators of collusion may include the following:
- Previous contract awards show a pattern, including the same vendors rotate as the award winner or win the same or similar amounts of work, or one vendor always wins regardless of competition.
  - The winning vendor subcontracts work to losing vendors or to vendors that withdrew their proposals or declined to submit proposals.
  - Fewer than expected vendors bid on the contract than in previous bids.
4. Have vendors demonstrated **suspicious behavior** that suggests they worked together on the award? Indicators of collusion may include the following:
- A vendor submits a proposal even though they lack the ability to provide the requested product or service.
  - A vendor submits multiple proposals.
  - A vendor makes statements indicating advance knowledge of a competitor's prices or likelihood of winning the award.

While the above circumstances may arouse suspicion of collusion, they are not proof of collusion. For example, a bidder can submit a proposal that it does not think will be successful for reasons other than collusion, such as being too busy to handle the work unless a premium is paid. If you suspect collusion has occurred in STOBG's business, contact the Compliance & Ethics Department or the Legal Department.

## Broker's Fees, Finder's Fees, or Commissions

Your responsibilities at STOBG may include soliciting clients or soliciting proposals from subcontractors to perform work on STOBG projects. In doing so, you are prohibited from offering, soliciting, paying, or accepting broker's fees, finder's fees, commissions, or any other inducement. If you have a question regarding this policy, consult STOBG's Chief Ethics & Compliance Officer (CECO) or General Counsel.



## Money Laundering

Money laundering is the use of otherwise legal enterprises or transactions to obscure or disguise the proceeds of bribery or other criminal activity. STOBG follows all national, regional, and local anti-money laundering laws and is committed to detecting and deterring money laundering of any kind.

You should be wary of the following:

- offers to consummate transactions in cash or cash equivalents (we don't conduct business this way)
- transactions that aren't properly recorded in the books and records of STOBG or the relevant party.
- payments involving multiple checks to or from multiple sources.
- payments to or from entities or individuals not party to the transaction.
- payments involving accounts whose beneficial owners are obscured or accounts not belonging to parties to the transaction.
- payments involving accounts not typically associated with established business partners.

If you suspect that a company transaction may involve money laundering, notify your manager, the Finance Department, or our CECO.

## Making False, Misleading, or Inaccurate Records



Anti-corruption laws require us to keep accurate records that fairly reflect all transactions. If an act of corruption (for example, a bribe) is entered into a company's books as a legitimate payment, that false entry may itself be an illegal act. Indeed, when regulatory authorities do not have sufficient evidence of a specific act of corruption, they may prosecute for violation of the law's recordkeeping requirements.

Thus, keeping detailed, accurate, and transparent records is critical. Falsifying records, attempting to conceal a transaction, or otherwise failing to accurately and fully record a transaction or expense will not be tolerated. Prohibited conduct under this Policy includes:

- maintaining any "off the books" accounts
- mischaracterizing or improperly recording a transaction
- intentionally providing incomplete information for a transaction
- making false or artificial entries in the company's books and records

Additionally, personal or third-party funds may not be used to accomplish what is otherwise prohibited by this Policy.

All company records, both paper and electronic, must also be retained in accordance with legal and contractual requirements and our internal processes and procedures, including your local Construction Management (CM) Guidelines and records retention policy. You

may also receive a legal hold notice from the Legal Department that instructs you to preserve certain records that may be relevant to actual or anticipated litigation. If you have any questions about appropriate recordkeeping or records retention, consult the Legal Department.

### FAQs

#### **Why is it so important to keep accurate records?**

Not only is accurate recordkeeping a requirement of most anti-corruption laws, maintaining accurate records is a part of providing exceptional client service. We need to document our clients' involvement in their projects and be prepared to show them that their money was properly spent. For these reasons and many more, it is critically important that we create complete and accurate records of our business.

#### **What role do I have in keeping accurate corporate records?**

You have an obligation to accurately document the business relevant to your corporate role. Specific guidance can be found in the CM Guidelines that apply to your office. Take the time to review them thoroughly and understand not just which critical documents need to be generated but also where they need to be stored in the company's files.

#### **What should I do if I suspect a company record is not accurate?**

You have a number of options, including contacting your supervisor or other company resource. Remaining silent, however, is not one of those options. You must speak up if you suspect a company record is inaccurate.



## ACTIVITIES THAT REQUIRE CAUTION

### Gifts and Entertainment

When appropriate, gifts, entertainment, and other business courtesies are an entirely acceptable way to strengthen working relationships or provide a forum in which to discuss our services. But this is an area where you must exercise caution. We never want our exchange of business courtesies to give rise to the perception that they are being offered to gain an unfair business advantage.

Consult your local gifts and entertainment policy to ensure that you are adhering to company expectations. You should also consult our State and Local Government Projects Policy if you interact at all with government officials or work on public projects. Government officials often are prohibited from receiving anything of value, and, unless authorized to do so by your local gifts and entertainment policy, you should not provide them with gifts. While our policies contain more detail, a good place to start in determining whether a gift or entertainment complies with our rules is the following ten criteria:

1. **It must be permitted by law.** Don't give or accept anything illegal.
2. **It must be permitted by the policies of any involved or affected third parties.** Any gift or entertainment you provide or receive must comply with not only our own policies, but the policies of the other party.
3. **Entertainment must be business-related, and employees of our company and our client or business partner must be in attendance.** The purpose of entertainment is to build the business relationship—meaning, the parties to the relationship must be present.
4. **It must be appropriate.** In determining whether a gift or entertainment is appropriate, consider its:
  - *Nature* – Gifts and entertainment that are lavish and excessive, given in secret, exchanged around the time business decisions between

the parties are being made, or are frequent are probably not appropriate.

- *Purpose* – Gifts and entertainment given to improperly influence someone's business judgment are never appropriate.
  - *Effect* – Gifts and entertainment should never create the obligation or expectation that they must be reciprocated.
5. **It must never improperly influence—or appear to improperly influence—business decisions.** You must avoid even the appearance that a gift or entertainment may be seen as a bribe.
  6. **It must never create the appearance of impropriety or a conflict of interest.** Any gift or entertainment that someone could reasonably believe impacted a business decision should be avoided.
  7. **It must never be exchanged as part of a *quid pro quo* (offered for something in return) or to obtain an improper advantage.** Gifts and entertainment may only be exchanged as a normal business courtesy, without anything expected in return.
  8. **It must never be cash or cash equivalents, such as gift cards.** Cash is never an appropriate gift, and you should treat gift cards the same way.
  9. **It must never be solicited on your own behalf or on behalf of a third party.** If you believe it's necessary to do so, consult our Chief Ethics and Compliance Officer.
  10. **It must never be in poor taste.** Don't give or accept anything that would be embarrassing to the company.

If you have a question about whether a gift or entertainment is permitted by our policies, contact the Compliance & Ethics Department.

LEARN MORE: *see your local gifts & entertainment policy.*

## Political Contributions

Our organization and employees may engage in the political process to help government officials and candidates for office understand the issues that are important to us. Political contributions, however, raise anti-corruption concerns because they can be used to obtain special benefits or diverted to private use. We must always ensure our political participation complies with applicable law, including electoral and campaign finance law. The law in many jurisdictions may prohibit or highly restrict a corporation's political activities. And depending on your location and role at the company, the law may restrict or require disclosure of your personal political contributions as well.

Even political contributions made lawfully can be seen as an attempt to improperly influence a government official. Out of an abundance of caution, any use of company funds or other assets for political purposes must be approved by STOBG executive management or their designees. Funds contributed on behalf of the company must be fully and accurately described in our books and records, which are subject to review and audit. Seeking political contributions from clients and business partners, or responding to a request for political support, must also be approached with caution. Always consult our CECO in those situations.

While employees may participate in political activity in their individual capacities, they may not do so on terms prohibited by our policies. Employees may not make political contributions, even in their individual capacity, when doing so could be interpreted as bribery or another form of misconduct. Consult our Code for additional guidelines when engaged in personal political activities.

**LEARN MORE:** *see our Code of Conduct and Political Activities Policy.*



## FAQs

### **Why are there restrictions on engaging in political activity in my personal capacity?**

Our global anti-corruption policy is intended to protect both the company and its employees. Engaging in political activity in your personal capacity does not shield you from anti-corruption exposure. You should never engage in political activity in your personal capacity that would be prohibited by this Policy or another company policy.

Also, be aware that the law in some jurisdictions may require certain employees to report their political contributions and those of their close family members. In limited circumstances, local law may restrict or prohibit certain individual political contributions. Contact the Compliance & Ethics Department for more information.

### **What should I do if I am approached by a client or business partner to support a politician or political action committee?**

Make sure that the support is permitted under this Policy and other company policies. Consult the Compliance & Ethics Department for assistance. While under certain circumstances engaging in political activity is acceptable, we need to avoid situations in which such activity could be misconstrued as subterfuge for misconduct.

## Charitable Contributions

STOBG has a proud history of investing in communities and supporting charitable organizations. But we must be thoughtful about making charitable contributions because they can be used to disguise corrupt activity. Even a charitable contribution that is legally permissible can be viewed as improper, particularly when the charity is linked to a client, government entity or official, or other individual or entity with potential influence over STOBG business.

To guard against this risk, company-sponsored charitable giving may be administered only by STOBG executive management, business unit leaders, or their designees. Donations must be made only to legitimate organizations, and all charitable contributions must be fully and accurately described in our books and records. Before making any contribution to a charity based outside of the United States, Canada, the United Kingdom, or the Republic of Ireland, contact the Compliance & Ethics Department so that it can perform the requisite due diligence to ensure that the charity is legitimate.

We must be particularly thoughtful when we engage in charitable giving associated with a government entity or official. Typically, that happens when we contribute to a government entity that's raising funds to support a public service connected to its core mission (for example, a school district that organizes a fundraiser), or when we contribute to a charity linked to a government official (for example, the charity was founded or is promoted by the government official or a family member). Before making such contributions, STOBG executive management, the local business unit leader, or their designees must conduct appropriate due diligence to ensure there's no perception that the contribution was made to improperly influence the government entity or official. Consult our State and Local Government Projects Policy for more information.

Be cautious when inviting clients and business partners to support our charitable causes. Business decisions should be made based on merit, not our partners' charitable donations. If you work in estimating or purchasing or otherwise are involved in procurement, you may not solicit or collect contributions from our business partners. Likewise, if you receive such a request

from a client or business partner, be sure to follow this Policy and do appropriate due diligence to make sure that the request is not an attempt to improperly influence a business decision.

We encourage our employees to contribute to worthwhile causes in their personal lives. Be sure to follow the additional guidelines in our Code on personal charitable activities and be aware that you can't use personal funds to give to a charity if the contribution would be prohibited by our policies. Putting an improper charitable donation in your own name can still put the company at risk.

If you have a question about whether a charitable contribution presents a corruption risk, contact the Compliance & Ethics Department.

LEARN MORE: *see our Code of Conduct and State and Local Government Projects Policy.*

## FAQs

### Why is charitable giving an anti-corruption concern?

Although supporting worthy causes is an STOBG tradition, even legitimate charitable giving can be scrutinized as subterfuge for bribery. Support charitable and civic groups because of the good work they do, not as a way to improperly influence a decision maker.

### How do I know if a charity is legitimate?

You need to perform an adequate level of due diligence before proposing a charity for corporate support. The Compliance & Ethics Department can help you do this. Remember, unless approved by your business unit leader, you can only engage in charitable activity in your personal capacity.

### What should I do if I'm approached by a client or business partner to support a charitable cause?

Make sure the support is permitted under this Policy and other company policies. Consult your business unit leader and, if needed, the Compliance & Ethics Department. While charitable giving is an STOBG tradition, we must avoid making contributions that could appear improper.





## Interacting with Government Officials

Because anti-corruption laws are largely aimed at combating government corruption, our work in the public sector poses a significant corruption risk. Under no circumstances may an STOBG employee attempt to improperly influence a government official.

A heightened sense of caution and awareness of the anti-corruption laws is required if you deal with government officials in your role at STOBG. You must comply with all applicable laws regarding interactions with government officials and avoid situations that could be expected to result in reputational harm to STOBG. For example, many anti-corruption laws prohibit or restrict giving anything of value to a government official. For that reason, exchanging gifts with government officials is prohibited under our policies. And unless you are subject to a local G&E policy that provides otherwise, you may not offer or engage in any entertain-

ment with a government official without approval from our CECO or General Counsel. Consult your local G&E policy for more guidance.

Some other areas that require special caution are listed below and are addressed in detail in our State and Local Government Projects Policy and Political Activities Policy:

- participating in a government procurement
- engaging in lobbying activity on behalf of the company
- making charitable contributions to an organization linked to a government entity or government official paying or reimbursing a government official's travel and lodging expenses in connection with proposed or active business with the government
- hiring a current or former government official or a candidate referred by a government official

LEARN MORE: *see our State and Local Government Projects Policy and Political Activities Policy.*

## Working with Third Parties

The anti-corruption laws that apply to us also apply to third parties that assist us in our business activities, such as subcontractors, suppliers, vendors, expeditors, intermediaries, agents, consultants, lobbyists, and advisors. We can't engage a third party to do indirectly what we are prohibited from doing directly. That includes channeling improper payments through a third party or making any payment to a third party where there is reason to believe that all or a portion of the payment will go towards a corrupt purpose.

Under certain circumstances, we can be held liable for improper acts performed by a third party, even if we did not authorize or have actual knowledge of those acts. That's why it's critical that we know our business partners, starting with selecting business partners that share our commitment to high standards of ethical conduct.



## Engaging and Managing Third Parties

Prospective STOBG business partners undergo a robust prequalification and due diligence process to increase our visibility into our business partners and reduce anti-corruption risk. We also have enhanced due diligence procedures for engaging Minority-/Women-Owned/Disadvantaged Business Enterprises (“MWDBEs”). Consult your local MWDBE program manual for more information.

Our due diligence process may include assessment of the following:

- the business necessity and scope of the engagement
- qualifications for the services to be performed and experience doing similar work
- fee structure/payment terms (success fees or discretionary bonuses are risk factors)
- likelihood of interactions with government officials
- connections to government officials (e.g., whether the prospective business partner was recommended by a government official, and relationships between the prospective business partner’s owners or employees and any government officials)
- the geographic location of the services to be provided and whether it’s a high-risk jurisdiction (e.g., a jurisdiction where corruption is more prevalent)

- reputation checks, regulatory history, and court record searches
- checks of public databases for censures and penalties
- review of the prospective partner’s internal policies and procedures for managing corruption risk
- contacting references
- conducting site visits
- interviewing key players

Our business partners must also agree to comply with our Supplier Code of Conduct and Ethics (“Supplier Code”), which mirrors our own Code of Conduct. Business partners must provide the Supplier Code to their own vendors and ensure they follow it as well. If you wish to retain a third party on STOBG’s behalf, you must follow your local due diligence procedures and require compliance with our Supplier Code in any engagement contract.

Our engagement contracts with business partners should include a full description of the goods or services to be provided. We will not enter into any agreement that lacks a clear and proper commercial purpose.

Compensation paid to a business partner must be appropriate, justifiable and, where practicable, based on the market value of the goods or services provided. Contingent fee arrangements—fees based on achievements or contingent on results—must be approved by the Legal Department or the Compliance & Ethics Department before signing a contract. This type of compensation structure can create an incentive for the third party to make an improper payment in order to achieve a favorable result and also makes it difficult to discern the actual work performed by the third party.

Knowing our business partners doesn’t end at the engagement process. We must properly supervise them and monitor their activities to prevent misconduct. Previously conducted due diligence should be updated regularly to ensure that no changes have taken place that impact their risk profile. Any indication of misconduct by a business partner should be reported to a company resource as soon as possible.

## Use of Intermediaries

An intermediary is a person or entity that essentially serves as a conduit for goods or services offered by a supplier to a customer. For example, a company exploring a new foreign market might retain an intermediary with local knowledge to help navigate that market. Intermediaries can provide a wide range of services, including helping to identify business projects, acting as local representatives, or obtaining government approvals. Examples of intermediaries include brokers, lobbyists, and consultants who expedite a permit, license, or inspection.

Because of their ability to act on our behalf (e.g., soliciting bids or contracts or obtaining government approvals), particularly in a new market, intermediaries present a higher risk of corruption and, in some situations, we can be liable for their conduct. Intermediaries that interact with government entities present even greater risk.

Once an intermediary passes appropriate due diligence and is approved to work with us, the engagement must be governed by a written agreement for a fixed term that contains the following:

- a detailed description of the work/services to be provided
- a stipulation that compensation will be for legitimate services performed and invoiced
- a requirement that payment for services and reimbursement of expenses comply with our Supplier Code
- an explicit prohibition on all forms of bribery and corruption and a clear statement that the intermediary will comply with our Supplier Code and all applicable anti-corruption laws
- a representation that the intermediary is responsible for oversight of its subcontractors
- a duty to cooperate in any investigation into whether the intermediary committed bribery
- a termination clause for acts of bribery and corruption
- an obligation for the intermediary to maintain accurate, complete, and transparent records

- a clause that the intermediary's performance may be audited and reviewed periodically

Payments to an intermediary must be reasonable in amount in relation to the services performed and properly recorded in our books and records. No payments should be made to an intermediary except for the compensation fixed for specific identified tasks, and all payments must be made in strict accordance with the written agreement.

As with all other business partners, intermediaries must be properly managed throughout the life of the business relationship. Oversight may include regular due diligence updates, training, close review of invoices and backup documentation, and periodic compliance meetings and audits. Any suspicion of misconduct must be reported to a company resource immediately.

If you have questions about selecting or managing third parties, contact your local prequalification manager or the Compliance & Ethics Department.

## FAQs

### Can STOBG be held responsible for the actions of our joint venture or strategic partners?

Yes, under many circumstances the actions of these business partners can also be attributed to STOBG. Most anti-corruption laws draw little distinction between a principal and an agent when it comes to assessing culpability. That's why it's imperative to engage our business partners on important matters such as preventing corruption and to play an active role in monitoring compliance.

### How do I know if a third party, such as an intermediary, is spending funds properly?

Properly managing third parties requires careful oversight. As a first step, make sure that proper diligence in accordance with our prequalification and due diligence procedures has been conducted. You also need to make sure that the engagement is properly documented and that the services to be performed by the third party are described with adequate specificity so that there's no doubt as to the role the third party will play. You then need to actively participate in the engagement to ensure that the third party is performing in accordance with the terms of the agreement. Finally, all payments to the third party must be scrutinized to ensure that the payments are for services performed or reimbursements for legitimate expenses incurred.



**What are some “red flags” to look out for when it comes to selecting and overseeing business partners?**

The following are some red flags that should draw your attention. They don't necessarily mean that corruption is happening, but they may warrant further investigation. You should contact the Compliance & Ethics Department if you come across any of these red flags.

- A government official recommends that we hire a specific person or company to act as a third party.
- The third party isn't listed in standard industry directories or is not known to people knowledgeable about the industry.
- Refusal to disclose information such as the third party's owners or partners
- Refusal to sign a written agreement
- Requests for unusual contract terms
- Use of unnecessary or multiple parties performing similar functions with vague descriptions of the services being provided
- Use of an inexperienced party or one that doesn't appear to be able to undertake the required duties
- Requests that we keep secret the third party's work for us or the terms of our agreement
- Requests to backdate an agreement, invoice, or other document
- Transactions are not properly recorded or described in unusually general or opaque language
- Incomplete or insufficient documentation to justify expenses or charges
- Requests for fees that are much greater than the market rate for comparable work, without reasonable explanation
- Requests that payments be made to another party, to a third-country bank account, or through other unusual financial arrangements
- Requests to be paid in cash
- Requests for “rush” or “last minute” payments

## **Hiring Candidates Referred by or Related to Clients or Business Partners**

You may be asked by a client or business partner to help secure a job or internship for a relative or friend. This situation



poses an anti-corruption risk because of the possible perception that the hiring was in exchange for a business advantage.

When you find yourself in such a situation, follow all normal hiring procedures. You should disclose the referral to management and to Human Resources, but your involvement should stop there. Don't try to exert any influence to get the candidate hired. Candidates referred by potential or current clients or business partners must go through the same recruiting process, and be evaluated based on the same criteria, as any other applicant for the position.

If the client or business partner that made the referral offers to give STOBG a benefit in exchange for making the hire—or threatens to take adverse action if we don't—don't extend any offer, and immediately inform your business unit leader or the Compliance & Ethics Department. We shouldn't pressure a business partner, such as a subcontractor or vendor, to hire a candidate who was referred to us as a means to circumvent this Policy.

If you have a concern about improper hiring practices or inappropriate job referrals, contact the Compliance & Ethics Department.



## ADMINISTERING THIS POLICY

### STOBG's Compliance & Ethics Department

STOBG's Compliance & Ethics Department is responsible for developing, implementing, and interpreting this Policy. The department can be reached at [compliance@structuretone.com](mailto:compliance@structuretone.com). You can also reach out directly to our CECO or any other member of the department. Postal mail can be sent to STOBG's Chief Ethics & Compliance Officer at 330 W. 34th St., New York, NY 10001.

### Amendments to This Policy

Our Compliance & Ethics Department periodically reviews this Policy to determine whether revisions are required to reflect changes in the law, our business, or our policies and practices. The most recent version of the Policy can be found on our intranet and on STOBG's website.

### Violations of This Policy

The company will take appropriate corrective or disciplinary action for violations of this Policy or other company policies. Such action may include termination of employment and, if the violation is also against the law, referral to the appropriate authorities.

# ACKNOWLEDGEMENT

I acknowledge that I have received and read a copy of the STO Building Group ("STOBG") Global Anti-Corruption Policy ("Policy"), and I understand and agree to comply with the Policy.

I understand that STOBG has the maximum discretion permitted by law to interpret, administer, change, modify, or delete this Policy at any time, and that no statement or representation by a manager or other employee, whether oral or written, can supplement or modify this Policy. I also understand that any delay or failure by STOBG to enforce any company policy or rule will not constitute a waiver of STOBG's right to do so in the future. I further understand that this Policy is not a contract and does not create any contractual rights between me and STOBG.

I understand that if I have questions about this Policy, other company policies, or the legal and regulatory requirements applicable to my job, I can consult a company resource such as my manager, my department head, my business unit leader, a member of STOBG executive management, my compliance liaison or the Compliance & Ethics Department, the Human Resources Department, the Legal Department, or STOBG's 24/7 helpline.

Signature: \_\_\_\_\_

Name (printed): \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

