

GSK Policy	Title: PREVENTING CORRUPT PRACTICES AND MAINTAINING STANDARDS OF DOCUMENTATION	
Official Short Title: Anti-Corruption Policy		
Key Points		
➤ All GlaxoSmithKline dealings with third parties shall be carried out with the highest standards of integrity and in compliance with all relevant laws and regulations.		
➤ Corrupt practices are not acceptable in GSK dealings with either private or government sectors.		
➤ GSK dealings, particularly with governments and government officials, are subject to specific anti-corruption laws in the US, UK and elsewhere that carry very significant penalties.		
➤ GSK employees shall not offer or authorise any improper inducements to any third parties, particularly government officials.		
➤ GSK employees must maintain accurate information in GSK's books, records, and accounts so that GSK's legal and regulatory obligations are fulfilled.		
➤ All laws, external accounting requirements, and GSK procedures for reporting company financial information must be followed.		
Why do we have this policy? To ensure that all GSK dealings with third parties, particularly governments and government officials are carried out according to the highest standards of integrity required for all GSK business and in compliance with all relevant laws and regulations.		
What does this policy say?		Who in GSK has general obligations under this policy?
The Basics	1. Purpose 2. Scope	All GSK Staff <input checked="" type="checkbox"/>
Specific Requirements	3. Responsibilities 4. Preventing Corrupt Practices 5. Financial Documentation Requirements & Standards 6. Communication of Issues	What functions in GSK have specific obligations under this policy? Audit, Compliance, & Quality <input checked="" type="checkbox"/> Communications <input type="checkbox"/> Govt. & External Affairs <input type="checkbox"/> Finance <input checked="" type="checkbox"/> Global Procurement <input type="checkbox"/> HR <input type="checkbox"/> IT <input type="checkbox"/> Legal <input checked="" type="checkbox"/> Manufacturing & Supply <input type="checkbox"/> Marketing, Sales & Support <input type="checkbox"/> Medical <input type="checkbox"/> Research / Development <input type="checkbox"/> Supervisors & Management <input checked="" type="checkbox"/> Senior Management <input checked="" type="checkbox"/> Other - Third Parties <input checked="" type="checkbox"/>
Glossary and Administration	Glossary Administration	Contacts: Corporate Ethics & Compliance 1-866-GSK Ethics

The Basics

1. Purpose

To ensure that:

- All GlaxoSmithKline dealings with third parties are carried out with the highest standards of integrity required for all GSK business and in compliance with all relevant laws and regulations (see POL-GSK-001 – [Code of Conduct](#)). This policy declares that corrupt practices are not acceptable in GSK business dealings both in the private and government sectors. GSK’s dealings with governments and government officials are subject to specific anticorruption laws which carry very significant penalties, including but not limited to the UK Bribery Act, the US Foreign Corrupt Practices Act and the US Sarbanes-Oxley Act.
- The books and records of GSK and all its operating units, subsidiaries and affiliates are accurate and sufficiently clear, detailed and timely, to record the true nature of GSK’s business, its transactions, assets and liabilities.

2. Scope

This policy applies to:

- All GSK legal entities worldwide owned directly or indirectly by GlaxoSmithKline plc, including all its operating units, subsidiaries and affiliates. For purposes of this policy, the term “GSK” is deemed to refer to and include all of the above mentioned entities.
- All GSK employees worldwide. For purposes of this policy, “GSK employees” include complementary/contingent workers.
- All third parties acting for and on behalf of GSK, wherever they are located.

The Specifics

3. Responsibilities

Senior management of GSK, in particular GSK Corporate Ethics and Compliance, Finance and Legal, managers of GSK Business Units (“line”) and functional management, shall be responsible for enforcing compliance with this policy and ensuring that GSK employees responsible to them are aware of this policy and the need for compliance.

GSK line and functional management have specific obligations with regard to the implementation of the due diligence and oversight of third parties as provided for in the Anti-Corruption Frameworks.

4. Preventing Corrupt Practices

- 4.1. Policy Statement** – GSK requires compliance with the highest ethical standards and all anti-corruption laws applicable to it in the conduct of its business. GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees or by third parties acting for and on behalf of GSK. Unauthorized payments, or acts that create the appearance of promising, offering, giving or authorizing payments prohibited by this policy, will not be tolerated.
- 4.2. Corrupt Payments** - GSK employees shall not make, offer to make, or authorize any improper “payments” or provide “anything of value” to any individual, or at the request of any individual, for the purpose of influencing, inducing or rewarding any act, omission or decision to secure an improper advantage, obtain or retain business. In essence, GSK prohibits “quid pro quo” payments whereby the payment is made with the expectation of receiving in return an improper benefit or advantage.
- 4.3. Indirect Payments** - These prohibitions also apply to any payments or provision of anything of value by a third party for or on behalf of GSK. GSK employees shall not make, offer to make, or authorize payment to a third party (*e.g.*, sales agent, distributor or intermediary) with “knowledge” that all or part of the payment will be offered or given to any individual to secure an improper advantage, obtain or retain business.
- 4.4. Public and Private Sectors** - These prohibitions apply to existing or prospective business arrangements and to dealings both in the public and private sectors.
- 4.5. Government Officials** – The prohibitions apply to any payments made to or at the request of government officials, which are of particular concern due to the existence of specific anticorruption laws in the countries where we operate.
- 4.6. Definitions** - The terms “payments,” “anything of value”, “knowledge”, “government officials”, “Anti-Corruption Frameworks” and “high risk markets” are defined in the Glossary section and should be construed broadly to give effect to the letter and spirit of this policy.
- 4.7. Disciplinary Action** - GSK employees engaging in conduct prohibited by this policy or applicable law will be subject to disciplinary action up to and including termination of employment with the company.
- 4.8. Facilitating Payments** – For the avoidance of doubt, facilitating payments (otherwise known as “greasing payments” and defined as payments to an individual to secure or expedite the performance of a routine non-discretionary government action by government officials) are no exception to the general rule and therefore prohibited.
- 4.9. Permissible Activities** – This policy does not prevent GSK employees from conducting legitimate business with private parties and the government, as long as

it complies with GSK's policies and procedures. GSK in many instances interacts with government officials in the context of the promotion of GSK's products and services, in the execution of a contract with a government entity, in cooperation on medical and scientific matters and, in general, in the legitimate conduct of its business. Under limited circumstances, reasonable and *bona fide* expenditures, such as actual travel and lodging expenses directly related to such activities are permissible provided that they are permitted by GSK policies and SOPs, are lawful under the written laws and regulations of the government official's country and have the appropriate prior review and approval.

GSK business unit policies and SOPs related to GSK's interactions with healthcare professionals and the SOP on Interactions with Officials from Governments and Inter Governmental Agencies ([SOP-GSK-007](#)) should be read and considered in conjunction with this policy.

5. Third Parties

- 5.1. Third Parties** – Anti-corruption laws do not always differentiate between conduct of GSK and conduct of a third party acting for and on behalf of GSK. Therefore, it is GSK obligation to “know its partners” and to ensure that any third parties with and through whom GSK conducts business acknowledge and agree to comply with the principles of this policy.
- 5.2. High Risk Third Parties** – Business managers must be aware that dealings with certain categories of third parties carry a higher risk of corruption and may subject GSK to legal liability, so they will require a higher level of oversight under this policy. In particular, business managers must be vigilant when entering into deals with third parties that fall within any of the following categories:
- Third parties acting on behalf of GSK;
 - Third parties (including but not limited to joint venture partners) over whom GSK exercises or will exercise a degree of ownership or control;
 - Third parties who, in the course of dealing with GSK business, interacts with government officials;
 - Third parties organized and operating in high risk markets.
- 5.3. Due Diligence of Third Parties** – To ensure that the requirements of this policy are met in relation to third parties, business managers are required to conduct due diligence on such third parties and comply with any other requirements of the Anti-Corruption Frameworks, including but not limited to pre-engagement or pre-deal due diligence, execution of anti-corruption contractual provisions appropriate for the particular business transaction, and post-engagement or post-deal due diligence and monitoring.

6. Financial Documentation Requirements and Standards

6.1. Accuracy of Books and Records - All GSK financial books, records and accounts must accurately, fairly and reasonably reflect the substance of transactions and comply with company accounting policies and internal control requirements, regardless of transaction size.

6.2. Prohibited transactions - The following acts are prohibited:

- Authorizing or funding any transaction that is undisclosed or unrecorded in the company's books, records and accounts for any purpose;
- Approving, inducing or making any payment with the intention, purpose or understanding that such payment or any part thereof is to be used for any purpose other than that described by the documents supporting the payment;
- Omitting, falsifying, disguising entries or otherwise creating misleading or incomplete entries in any GSK books, records or accounts, or approving or inducing such acts or entries in any books, records or accounts of any third parties with whom the company conducts business; and/or
- Paying expenses that are improper, unauthorized and/or unsupported by proper documentation.

6.3. Duty of Candour to Auditors, Investigators and Law Enforcement Officials – The standards set out in Sections 6.1 and 6.2 above shall also apply to oral or written explanations to GSK internal and external auditors, GSK personnel and advisors investigating allegations of potential misconduct, and law enforcement, judicial officials or others having legitimate grounds to request information. Any informational or documentary requests from law enforcement or judicial officials or any other regulatory authorities should be referred to GSK Legal.

6.4. Multi-jurisdictional Transactions - Certain transactions (including but not limited to payment for services, purchase or disposal of assets, business development transactions, multi-country commercial operations) may include multi-jurisdictional components that can create opportunities for the misuse of transaction proceeds, money laundering, tax evasion, breach of exchange control regulations and other non-compliant behaviour. Multi-jurisdictional transactions are inherently complex, can take various forms and, although in some instances legitimate, could result in misunderstandings as to the intent behind such structures.

Given the inherent complexities of such multi-jurisdictional transactions, GSK employees must therefore adhere to the laws and regulations applicable to such transactions, and also to existing GSK policies and SOPs, including but not limited to the following:

6.4.1. Money Laundering, Tax Evasion and Exchange Control Regulation –

Many countries where GSK operates have some kind of anti-money laundering (AML), tax evasion and exchange control legislation applicable to the movement of funds across borders. Money laundering is a generic term used to describe the process of hiding the criminal origins of money or money's worth ('proceeds' of crime, e.g. tax evasion or breach of exchange control) within legitimate business activities and transactions. GSK employees are not required to identify money laundering but do have a duty to identify suspicious activity (taking care not to "tip off" those involved in such activity). In practice this means making proper enquiry into the origin of monies we receive or procure, and the appropriateness of the destination of monies we forward, in transactions in which GSK is involved. Examples of suspicious transactions from a money laundering, tax evasion and exchange control perspective may include but are not limited to:

- any transaction where you do not know or cannot confirm the details of the parties to a transaction;
- transactions conducted through unknown or unnecessary intermediaries;
- abnormal or unusual settlement methods;
- unnecessary or unexplained transactions;
- use of shell companies and/or companies in tax havens, or high risk AML jurisdictions as listed by recognised intergovernmental bodies such as FATF and FinCEN;
- cash transactions or the use of bank drafts, money orders, or cashier's cheque; or
- settlement with apparently unconnected third parties.

6.4.2 Offshore Transactions - All payments by and remittances to GSK relating to transactions or payments for services (including distributor and reseller commissions and any other payments to agents, consultants or intermediaries) shall be made in the country in which the underlying transaction is taking place or the services are performed, and to the person or company directly related to the transaction or performing the services. In the ordinary course therefore, no offshore payments or remittances by or to GSK are permitted by this Policy.

Where there is a legitimate business need to effect offshore transactions, transaction structures involving offshore entities or bank accounts in non-tax havens or jurisdictions considered not to be high risk, or transactions which are otherwise judged by approvers not to be high risk, may be approved on a strictly exceptional basis with the prior written approvals of

the SVP of Corporate Finance and VP of Corporate Legal responsible for the relevant business unit. Any request for such approval must be submitted by line management in the form of a documented business case (e.g. STP, PIP) showing proper justification for the proposed offshore transaction structure and accompanied by a written legal opinion confirming it is compliant in all other respects with this Policy and allowed by the applicable laws of the country of domicile of all the parties to the transaction, including the laws where the offshore account is located.

Existing offshore transaction structures that were in place before the date of introduction of the above exceptional approvals process must comply in all respects with the requirements of this Policy version. Any changes to these existing transaction structures after the effective date of this Policy version, including to bring them into compliance with this Policy, will require exceptional approvals.

- 6.5. Safekeeping of Financial Books and Records** – GSK employees having custody of books and records shall be responsible for their security and ensure that no improper or unauthorised alterations or disclosures occur.

7. Communication of Issues

- 7.1. Duty to Report Non-compliant Behaviour** - Any GSK employee having information or knowledge of any conduct inconsistent with this policy, such as any unrecorded fund or asset or any prohibited payments, shall promptly report such matter to the Corporate Finance Department, GSK Legal or a Compliance Officer.
- 7.2. Interpretation of this Policy** - For any issues related to the interpretation or implementation of this policy, GSK employees are required to seek guidance from the Legal Operations attorney, the Compliance Officer or the Finance person responsible for their business unit.

Glossary & Administration

Glossary

Anything of Value: this term includes, but is not limited to, cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value.



Anti-Corruption Frameworks: The “Anti-Corruption Framework–Third Parties–Procedures and Guidance” and the “Anti-Corruption Framework–Business Development Transactions–Procedures and Guidance”.

High Risk Markets: this term refers to those markets that appear periodically on the annual Transparency International Corruption Perception Index with scores of 5.0 and below. http://www.transparency.org/policy_research/surveys_indices/cpi/2009

Knowledge: An employee is considered to have “knowledge” if the employee (i) is aware that a corrupt payment is being made, (ii) is aware that a corrupt payment is likely to occur, or (iii) or has reason to know that a corrupt payment is likely to occur. Refusal to know, deliberate ignorance, conscious disregard, and willful blindness are treated as “knowledge” for purposes of this policy.

Payments: this term refers to and includes any direct or indirect offers to pay, promises to pay, authorizations of or payments of anything of value.

Government Official shall mean:

- Any officer or employee of a government or any department, agency or instrumentality of a government;
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or instrumentality of a government;
- Any officer or employee of a company or business owned in whole or part by a government;
- Any officer or employee of a public international organization such as the World Bank or United Nations;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or
- Any candidate for political office

In many countries in which GSK conducts business, doctors and other healthcare providers may qualify as government officials because they are either (i) employed by a government-owned or funded hospital, clinic, university or other entity and/or (ii) receive funding, professional service fees or other remuneration from a government-owned or funded hospital, clinic, university or other entity.

Administration

Approval:	Corporate Executive Team (CET)
Owner:	Simon Dingemans - GSK Chief Financial Officer; Daniel Troy - GSK General Counsel
Author:	GSK General Counsel
Approval Date:	25-MAY-2011
Effective Date:	05-JUL-2011
History:	<p>POL-GSK-007 v07 - effective 05-JUL-2011: revised content</p> <p>POL-GSK-007 v06 – effective 28-OCT-2010; revised to incorporate Anti-Bribery and Corruption Program principles</p> <p>POL-GSK-007 v05 - effective 30-SEP-2009</p> <p>POL-GSK-007 v04 - effective 21-MAY-2003</p> <p>POL-GSK-007 v03 - effective 26-JUN-2002</p> <p>POL-GSK-007 v02 - approved 12-SEP-2001; effective 24-SEP-2001</p> <p>POL-GSK-007 v01- approved 12-JUN-2001; effective 21-JUN-2001</p> <p>New GSK policy (Supersedes GW 7.1; SBCC-04 and SBCC-09)</p>

Related Documents

[GSK Code of Conduct POL-GSK-001](#)

[GSK Standards of Conduct STD-GSK-001](#)

GSK’s [Pharmaceutical Marketing & Promotional Activities Policy POL-GSK-401](#) and any applicable business unit level policies and procedures on Interactions with Healthcare Professionals

[Standard Operating Procedures on Interactions with Officials from Governments and Inter Governmental Agencies \(SOP-GSK-007\)](#)

[GSK Travel, Meeting & Entertainment Standards, STD-GSK-512](#)

[Anti-Corruption Framework – Third Parties](#) – Procedures and Guidance

[Anti-Corruption Framework – Business Development Transactions](#) – Procedures and Guidance

Appendices

None