



Our policy on...

## Using Advisers

Payments to third parties for referral/assistance in winning and retaining clients

# 01

## Scope

### Who does the policy apply to?

#### **This policy applies to all Kantar businesses.**

The application of this policy is not restricted to a narrow definition of 'adviser' and applies to all relationships that may be unusual or are not routine supplier or client relationships. It applies to any proposed intermediaries or third parties who introduce new clients, provide assistance with existing clients, make introductions to third parties who could assist with ongoing business or new business wins, provide advice on particular sectors or business types etc.

The policy applies whether the third parties are advisers, consultants, intermediaries, whether they are corporate or individual, and whether they are paid or not.

This is not an exhaustive list and this policy will apply even if we are not intending to pay such parties directly.

### Who doesn't the policy apply to?

The policy does not cover relationships between fellow Kantar Group companies. It does not apply to freelancers and consultants whose work is:

- clearly visible and integrated with that of employees
- could be performed by an employee with the correct skill set
- remunerated at a market rate without reference to the client revenues.

An example would be an individual participating in the production of creative work, or other equivalent activities in other businesses.

# 02

## Policy

Adviser relationships pose a possible risk of corruption. Therefore, we can only establish or renew an adviser relationship if it helps Kantar achieve its business objectives. Any proposal for a new or renewed relationship must have the approval of the Kantar Group CFO and be accompanied by the **Adviser Information Form**.

### 03

## Criteria for seeking approval to use an adviser

Approval for setting up or extending adviser relationships, or making payments to them, will not be given if any of the following apply:

- Due diligence has not been performed or indicates problems (see section 4 below)
- You have reason to believe that the adviser might make payments or other transfers of value that are or could be construed as bribes
- Payments would directly or indirectly go to any client personnel
- You have reason to believe that the adviser might make payments or other transfers of value to a government employee or official
- The client or potential client is part of, or funded by, or has links with a government body (directly or indirectly). Government organisations are widely defined and include international, national and local bodies and related organisations such as (but not limited to) political parties, tourism agencies and state-owned businesses (for example railways, banks, etc). (See Appendix I for a fuller definition.)
- The adviser is related to the potential client
- The adviser has a conflict of interest with either the agency or the client
- The adviser requests payment in an unusual form, or to a different organisation or an overseas organisation or bank. You must never make payments in cash or in advance.



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### 03 Criteria for seeking approval to use an adviser **continued ...**

- Contracts are not in place that properly describe the services to be provided by the adviser and the remuneration arrangements. Oral agreements are insufficient. Terms and conditions must include clear statements regarding Kantar's stance against bribery and corruption and acknowledgement of this by the adviser
- It is unclear what tangible, legitimate services would be provided by the adviser
- The invoices from the adviser fail to describe accurately the services provided. It is an offence to maintain inaccurate accounting records and for invoices to bear false descriptions
- Appropriate taxes would not be deducted or applied according to whether the third party is an individual or a corporation
- Payments / fees / other value would exceed 15% of total net income earned in the first year
- Note that if proposed payments are not one off but are ongoing for all or part of the duration of a contract, then the services provided must be of a continuous nature (e.g. akin to that of an account director)
- The adviser's main location or ownership is based offshore (unless the client is in the same location)
- The adviser has not completed the Adviser Information Form. (See section 4)
- There is a lack of clarity as to the ownership and background of the adviser
- The adviser has a criminal record (for fraud or otherwise) or is subject to a fraud, corruption or bribery investigation
- The adviser is a Politically Exposed Person (see Appendix II for a definition)
- The reasons why the adviser has influence on the client or potential client are not clear to you or conflict with any other criterion listed here.

If in doubt, do not proceed. It is not acceptable to cite "local practice" or "everyone does it" or "it is necessary to do business" to justify practices that conflict with this policy.



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## 04 Due diligence

You must request that the adviser completes the Kantar Adviser Information Form, signs it and returns it to you before you contract with them or make any payments to them. It is not acceptable for Kantar to complete the form on behalf of the adviser.

The form must be reviewed and signed off by the Regional CFO who must ensure that they fully understand who the adviser is, their background and ability to deliver legitimate services legally. The form should be formally appended to the contract with the adviser.

The completed form must be sent to the Kantar Group CFO for review and approval which must be retained for future reference and compliance and audit purposes.

You may not contract with or pay an adviser if there are any unresolved warning signs or red flags from the due diligence undertaken (see examples in Appendix III).

## 05 Ongoing monitoring of the adviser

If the use of an adviser has been approved and subsequently engaged, you have continued responsibility to ensure compliance with this policy and must review the relationship annually. If information is presented at any time that could adversely affect your opinion of the adviser, you must react accordingly. This may mean terminating a relationship with immediate effect – for example if you become aware that money or other value is indeed being passed to a client and/or employee of a government organisation. You must inform Kantar Legal immediately. You will not be allowed to continue with the adviser or extend/renew any adviser contract unless these concerns prove to be unfounded.

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## 06 Ongoing responsibilities in relation to advisers

Each regional CFO is responsible for monitoring their division/function compliance with this policy. They must:

- process requests for approval/review in accordance with this policy
- maintain a file of all documents and forms, due diligence and decisions
- actively monitor division/function new business (and re-pitch) activity to ensure that they are following this policy; and
- build a specific review of the use of advisers and compliance with this policy into the quarterly reporting cycle.

## 07 What are your responsibilities?

You must follow the criteria and procedures set out for using advisers or similar third parties. Any breach of this policy may result in disciplinary action being taken including, in serious cases, potential dismissal or termination of a contingent worker's engagement. This policy is not part of your employment contract or contract for services and Kantar can change or update it from time to time.

## 08 What to do if you suspect something is not right

If you encounter a situation that causes you concern in regard to the execution of this policy, you should tell your line manager immediately.

Line managers who have a concern reported to them should seek guidance from Kantar's Legal and Compliance teams immediately.

You can also use Kantar's confidential **Right to Speak service** to report a concern anonymously if you prefer.

If you have any questions about this policy, please contact Alison Gallagher, Global Head of Compliance at [businessintegrity@kantarc.com](mailto:businessintegrity@kantarc.com) or **Will Jackson**, Group Financial Controller.

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### Appendix I

#### Guidance on what constitutes a government organisation / Definition of public administration entities

For US regulatory purposes, public administration entities include, but are not limited to, the following:

- **Government bodies:** Any national, provincial or local government agency, department, office, or any public international organisation
- **All political parties:** Any political party, its party officials and any political candidates
- **Corporations with government shareholdings:** The US concept of “foreign official” includes any official or employee of a company owned or controlled by any national, provincial or local government agency, department, office, or any public international organization. The relevant US regulations refer to “any officer or employee of [an] instrumentality” of a foreign government. There is no US case law interpreting these words, so we must be guided by Securities and Exchange Commission (SEC) and Department of Justice (DOJ) enforcement practices and pronouncements. They appear to take the view that an “instrumentality” includes any corporation that is majority-owned by government and may include corporations with a minority government interest if they are effectively controlled by that government
- **Savings banks:** A state bank or other bank that is effectively controlled by a government
- **Temporary partnerships:** As a temporary joint venture with a government entity, its officers and employees would likely fall within the scope of US regulations if the government entity has at least a 50% share in the joint venture, or if it otherwise effectively exerts control over the major decisions of the joint venture
- **Associations and foundations:** These would fall within the scope of US regulations if they are clearly public-sector organizations, formed or owned by a government, as opposed to clearly private-sector organizations formed or owned by their (non-governmental) members.

If it is not clear whether an entity is a public or private entity for US regulatory purposes, please contact the Kantar Global Compliance team for advice.

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### Appendix II

#### Definition of a Politically Exposed Person

The term 'politically exposed persons' (PEP) applies to persons who perform important public functions for a state. The definition used by regulators or in guidance is usually very general and leaves room for interpretation. For example, the Swiss Federal Banking Commission in its guidelines on money laundering uses the term "person occupying an important public function", the US interagency guidance uses "senior foreign political figure" and the BIS paper Customer due diligence for banks says "potentates".

The term should be understood to include persons whose current or former (at least 1 year after giving up any political function) position can attract publicity beyond the borders of the country concerned and whose financial circumstances may be the subject of additional public interest. In specific cases, local factors in the country concerned, such as the political and social environment, should be considered when deciding whether a person falls within the definition.

The following examples are intended to serve as aids to interpretation:

- Heads of state, government and cabinet ministers
- Influential functionaries in nationalized industries and government administration
- Senior judges
- Senior political party functionaries
- Senior and/or influential officials, functionaries and military leaders and people with similar functions in international or supranational organizations
- Members of ruling royal families
- Senior and/or influential representatives of religious organizations (if these functions are connected with political, judicial, military or administrative responsibilities).



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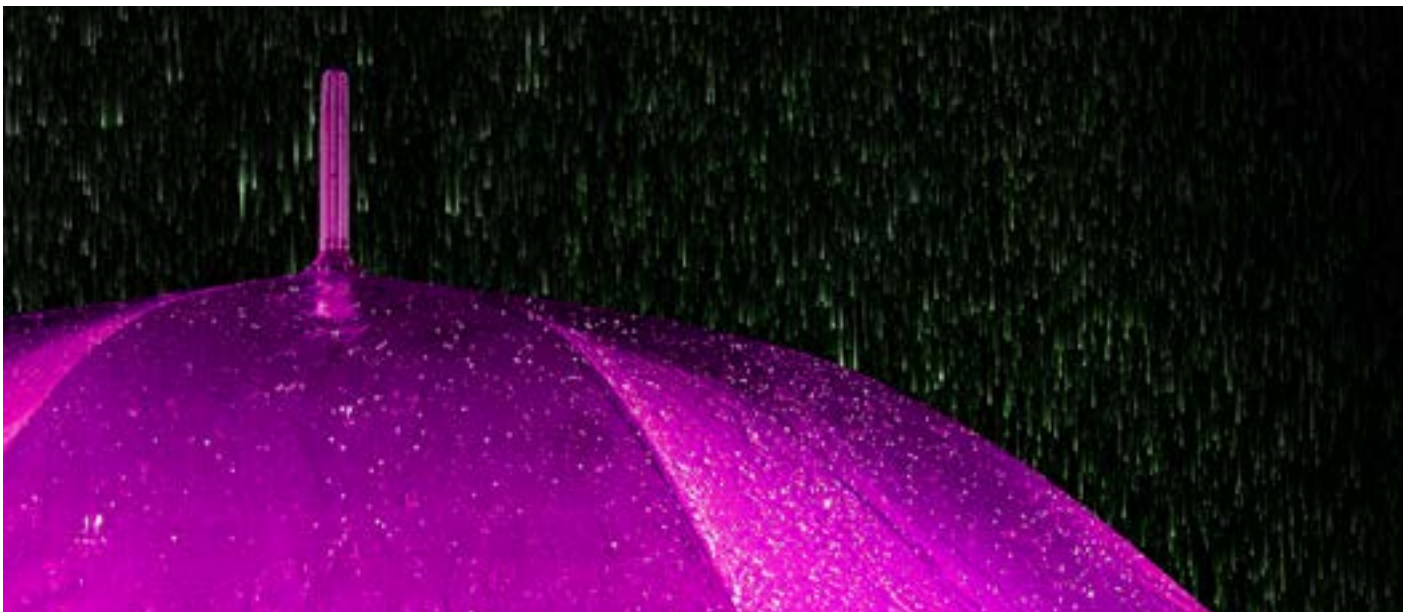
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### Appendix III

#### Red flags regarding advisers and similar third parties

The raising of any of the following with regards to an Adviser may indicate the need for enhanced due diligence or in some cases should result in the immediate termination of the relationship with the Adviser:

- a history of corruption in the territory
- lack of experience in the sector or the country in question
- non-residence in the country where the customer or the project is located
- no significant business presence within the country
- represents companies with a questionable reputation
- refusal to sign an agreement to the effect that he has not and will not make a prohibited payment
- states that money is needed to 'get the business'
- requests "urgent" payments or unusually high commissions
- requests payments be paid in cash, use a corporate vehicle such as equity, or be paid in a third country, to a numbered bank account, or to some other person or entity
- requires payment of the commission, or a significant proportion thereof, before or immediately upon award of the contract by the customer to the company
- claims that they can help secure the contract because they know 'all the right people'
- has a close personal/professional relationship to the government or customers that could improperly influence the customer's decision
- is recommended by a government official or customer
- arrives on the scene just before the contract is to be awarded
- shows signs that could later be viewed as suggesting they might make inappropriate payments, such as indications that a payment will be set aside for a government official when made to them
- insufficient bona fide business reasons for retaining an Adviser.



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