



SUPPLIER* ANTI-CORRUPTION AWARENESS TRAINING

*Suppliers means any company, corporation, entity or individual - including the third parties' employees, subcontractors, agents, and other representatives - that sells, or seeks to sell, goods or services to or through Wyndham or any of its subsidiaries, affiliates, franchisee or associations.

Important Notice



This presentation does not constitute legal advice. It is meant solely to provide awareness and as such, should not be relied upon as definitive. Wyndham Hotels and Resorts, including its subsidiaries, shareholders, franchisees, directors, officers, managers, or employees acting on its behalf or on behalf of any of its subsidiaries (“Wyndham”), does not accept any liability for any loss arising from reliance on this material.

If you have questions regarding this material or any transaction, please consult with your organization’s legal counsel.

As detailed more fully in your agreement with Wyndham, all parties must, among other things: (1) act ethically; (2) adhere to the Wyndham Supplier Code of Conduct; and (3) observe all relevant local laws where the organization is conducting business.

What will you learn?

- Definition of Corruption
- Examples of Bribery and Fraud
- Overview of Global Anti-Corruption Laws
- Wyndham's Policy and Supplier Code of Conduct
- How to report concerns regarding Corruption
- Where to find additional information



What is Corruption?

The definition of Corruption may vary based upon factors such as local law.

One widely used definition of Corruption is:

Abuse of public or private office for personal gain.

Corruption could also be defined to include a range of criminal offenses, which may include, but are not limited to:

***Bribery
&
Fraud***



When does bribery occur?

- Where a person (whether directly or through another person or entity) offers, gives, requests or receives a benefit with the intention or knowledge that the benefit will be used to cause someone to act dishonestly.
- Where a person in authority knows or suspects that a bribe is being offered, paid, requested or received, but ignores the situation and does not investigate it or do anything to stop it.

Are bribes always paid in cash?

- A bribe can be any type of benefit (e.g., cash, gift, entertainment, supporting membership for a club, giving a donation to a political party or charity, paying for a holiday, or providing the promise of future employment).

How are bribes paid?

Direct payment

A bribe may be passed directly from the person paying the bribe to the person who will benefit from the bribe.

Use of an intermediary

It is illegal if any person or entity makes a corrupt payment on behalf of another person or entity.

Purposely ignoring the issue

It may be a criminal offense under some laws if someone suspects corruption but ignores the issue and avoids taking reasonable action.

Acting on behalf of Wyndham

Scenario:

- You are sourcing a unique hotel amenity for Wyndham. It appears that there is only one supplier in the country that can provide the item and it is in high demand. During your meeting with the supplier, the supplier suggests that purchasing an expensive watch for his wife would guarantee Wyndham an adequate supply of the item.

Discussion:

- You cannot purchase a watch for the supplier's wife as this solicitation violates the Supplier Code of Conduct, may violate applicable law, and could lead to criminal prosecution and/or civil sanctions. You should disclose this solicitation to Wyndham by calling Wyndham management or the Integrity Hotline.

Facilitation Payments

Scenario:

- You are a technology provider for Wyndham. You are having difficulty obtaining a governmental permit which is needed to ship necessary hardware to a Wyndham overseas location. If Wyndham does not receive the hardware within two weeks, it may ruin your relationship with Wyndham. The Public Official providing the permit requests a small payment (“facilitation payment”) to speed up the process.

Discussion:

- You must not make this payment as Wyndham prohibits facilitation payments. You should disclose this request to Wyndham by calling Wyndham management or the Integrity Hotline.

Charitable Donations

Scenario:

- A Public Official informs you that it can direct business to Wyndham in return for a charitable donation to his/her charitable organization.

Discussion:

- You must decline this request. Charitable donations on behalf of Wyndham, whether requested by a Public Official or any other party, may not be made by you.

Third Parties providing gifts to Wyndham associates

Scenario:

- During a solicitation for bids, you offer a rare bottle of wine (valued at USD \$350) to a Wyndham manager.

Discussion:

- Even though well meaning, suppliers may not give Wyndham associates any gift of value or offer of service which could, or could be considered to, improperly or materially influence the Wyndham business relationship with that supplier. Accepting a gift during business transactions, negotiations or agreements may cause an unwanted perception of a bribe.
- Providing a gift prior to or shortly after closing a transaction may also be, or appear to be, improper. In this example, the offer should not be made or accepted in accordance with the Supplier Code of Conduct.

Fraud

Fraud usually occurs when a person makes a **dishonest representation** to gain an advantage, or cause a disadvantage to another person or entity.

A **dishonest representation** is one that is knowingly false, untrue or misleading.

In business terms, this generally means improperly taking money or other benefits from a company (whether directly or indirectly) to the disadvantage of that company.

Fraud Examples

1. Falsification of documents such as:

1. Receipts
2. Purchase Orders
3. Return Orders
4. Invoices
5. Books, records or systems



2. Fictitiously adjusting inventory records

3. Creating fictitious documents, contracts, purchase orders, or third parties

4. Sales Commission Fraud

1. Inflated sales order
2. Fictitious sales
3. Pre-booked sales that are cancelled

Related Offenses Examples

- A bribe wrongly recorded in the books as an agency commission for legitimate services may constitute a false accounting entry but also may violate accounting laws and stock market regulations.
- A tax deduction of a bribe may violate anti-bribery laws but may also violate tax law.
- Other related offenses include, but not limited to are:
 - Extortion
 - Embezzlement
 - Abuse of power
 - Money-laundering
 - Anti-trust

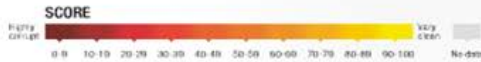
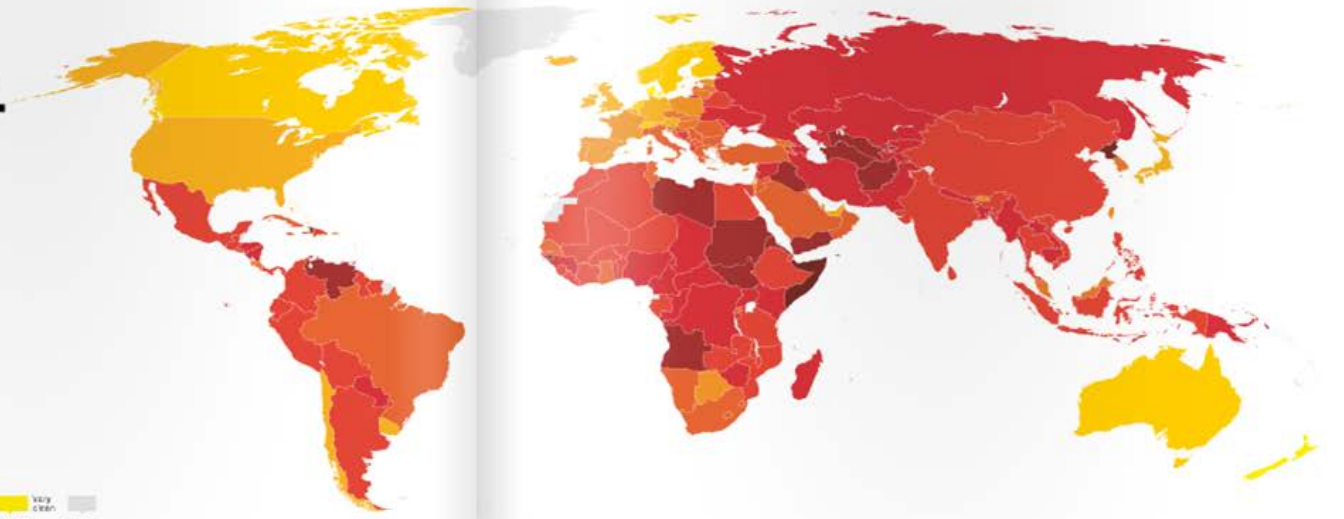


Global Corruption

**175 COUNTRIES.
175 SCORES.**

**HOW DOES
YOUR COUNTRY
MEASURE UP?**

The perceived levels of public sector corruption in 175 countries/territories around the world.



RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
1	Denmark	92	24	Bahamas	71
2	New Zealand	91	25	United Arab Emirates	70
3	Finland	89	26	Estonia	69
4	Sweden	87	27	France	68
5	Norway	86	28	Qatar	68
6	Switzerland	86	29	Saint Vincent and the Grenadines	67
7	Singapore	84	30	Bhutan	65
8	Netherlands	83	31	Botswana	63
9	Luxembourg	82	32	Cyprus	63
10	Canada	81	33	Portugal	63
11	Australia	80	34	Puerto Rico	63
12	Germany	79	35	Poland	61
12	Iceland	79	36	Taiwan	61
14	United Kingdom	78	37	Israel	60
15	Belgium	76	38	Spain	60
15	Japan	76	39	Dominica	56
17	Barbados	74	40	Lithuania	56
17	Hong Kong	74	41	Slovenia	56
17	Ireland	74	42	Cape Verde	57
17	United States	74	43	Korea (South)	55
21	Chile	73	44	Latvia	55
21	Uruguay	73	45	Malta	55
23	Austria	72	46	Seychelles	55
			47	Costa Rica	54
			47	Hungary	54
			47	Mauritius	54
			47	Georgia	52
			50	Malaysia	52
			50	Sarawak	52
			53	Czech Republic	42
			54	Slovakia	50
			55	Bahrain	49
			55	Jordan	49
			55	Lesotho	49
			55	Namibia	49
			55	Rwanda	49
			55	Saudi Arabia	49
			61	Croatia	46
			61	Ghana	46
			63	Cuba	46
			64	Oman	45
			64	The FVR of Macedonia	45
			64	Turkey	45
			67	Kuwait	44
			67	South Africa	44
			69	Brazil	43
			69	Bulgaria	43
			69	Greece	43
			69	Italy	43
			69	Romania	43
			69	Senegal	43
			69	Swaziland	43
			76	Montenegro	42
			76	Sao Tome and Principe	42
			78	Tunisia	40
			78	Serbia	41
			78	Tunisia	40
			80	Banar	39
			80	Bosnia and Herzegovina	39
			80	El Salvador	39
			80	Mongolia	39
			80	Morocco	39
			80	Burkina Faso	36
			85	India	36
			85	Jamaica	36
			85	Peru	36
			85	Philippines	36
			85	Sri Lanka	36
			85	Thailand	36

RANK	COUNTRY/TERRITORY	SCORE	RANK	COUNTRY/TERRITORY	SCORE
89	Trinidad and Tobago	36	116	Kosovo	33
89	Zambia	36	116	Malawi	33
89	Armenia	37	116	Côte d'Ivoire	32
94	Colombia	37	116	Dominican Republic	32
94	Egypt	37	116	Guatemala	32
94	Gabon	37	116	Mal	32
94	Liberia	37	116	Belarus	31
94	Panama	37	116	Mozambique	31
94	Panama	37	116	Sierra Leone	31
100	Algeria	36	116	Tanzania	31
100	China	36	116	Vietnam	31
100	Suriname	36	116	Guyana	30
100	Bolivia	35	124	Mauritania	30
100	Mexico	35	126	Azerbaijan	29
100	Moldova	35	126	Gambia	29
100	Niger	35	126	Honduras	29
107	Argentina	34	126	Kazakhstan	29
107	Ojibosi	34	126	Nepal	29
107	Indonesia	34	126	Pakistan	29
110	Albania	33	126	Togo	29
110	Ecuador	33	133	Madagascar	26
110	Ethiopia	33	133	Nicaragua	26
133	Timor-Leste	26	136	Cameroon	27
			136	Iran	27
			136	Kyrgyzstan	27
			136	Lebanon	27
			136	Nigeria	27
			136	Russia	27
			142	Comoros	26
			142	Uganda	26
			142	Ukraine	26
			145	Bangladesh	25
			145	Guinea	25
			145	Kenya	25
			145	Laos	25
			145	Papua New Guinea	25
			150	Central African Republic	24
			150	Paraguay	24
			150	Congo Republic	23
			152	Tajikistan	23
			154	Chad	22
			154	Democratic Republic of the Congo	22
			156	Cambodia	21
			156	Myanmar	21
			156	Zimbabwe	21
			159	Burundi	20
			159	Syria	20
			161	Angola	19
			161	Guinea-Bissau	19
			161	Haiti	19
			161	Venezuela	19
			161	Yemen	19
			168	Eritrea	18
			168	Libya	18
			168	Uzbekistan	18
			169	Turkmenistan	17
			170	Iraq	16
			171	South Sudan	15
			172	Afghanistan	12
			172	Sudan	11
			174	Korea (North)	8
			174	Somalia	8

Transparency International measures perceived levels of corruption in countries around the world, and publishes the Corruptions Perceptions Index (CPI). The CPI scores 175 countries and territories on a scale from 0 (highly corrupt) to 100 (very clean). No country has a perfect score, and two-thirds of countries score below 50. This indicates a serious, worldwide corruption problem.

<http://www.transparency.org/cpi2014/results>

Global Anti-Corruption Laws

Several anti-corruption laws may be applicable to Wyndham, its subsidiaries, and its Third Parties in the various jurisdictions in which they do or seek to do business.

The U.S. Foreign Corrupt Practices Act (FCPA) and the U.K. Bribery Act 2010 (Bribery Act) have extraterritorial reach (beyond the U.S. and the U.K.) and are being actively enforced by regulators/enforcement agencies.

Companies must be aware that both the FCPA and the Bribery Act may have direct impact on their operations, even if they only have limited activity in the United States or the United Kingdom.

Companies must also be aware of other jurisdictions - such as Brazil, Canada, China, Germany, and Mexico – have relevant local anti-corruption laws.

The FCPA addresses international corruption in two ways:

The anti-bribery provisions prohibit individuals and businesses from the following activity

- Offering, giving or authorizing anything of value, directly or indirectly, to be provided to a foreign government official (non U.S. official), for the purpose of
 - influencing, inducing or otherwise affecting an official act, decision or omission of an act or decision,
 - securing an improper advantage, or
 - assisting in obtaining or retaining business for any person or entity.

The accounting provisions impose certain record keeping and internal control requirements and prohibit individuals and companies from knowingly falsifying books and records or circumventing or failing to implement a system of internal controls as follows:

- Books and records must be in reasonable detail which accurately and fully reflects transactions (e.g., invoices).
- Accounting for payments, gifts, entertainment, etc. must be accurate and complete.
- Internal control provisions require companies to devise and maintain accounting controls to provide reasonable assurance that transactions are authorized by management that assets are accounted for, and that financial statements conform with GAAP.

Who is a “Public Official”?

A public official, even a low-ranking official, includes the following :

- an officer or employee of a government or a governmental department or agency;
- a political party, party official, or candidate for political office;
- an officer or employee of a government owned or controlled entity or company (e.g. state-owned bank, hospital or telecommunications company);
- a member of a military;
- an officer or employee a public international organization (such as the United Nations or the World Bank);
- any person acting in an official capacity for or on behalf of any of the above; or
- Instrumentalities of foreign governments, including business owned or controlled by the state, as well as all employees of such businesses, are considered public officials for purposes of the FCPA.

Criminal Penalties and Enforcement Under the FCPA

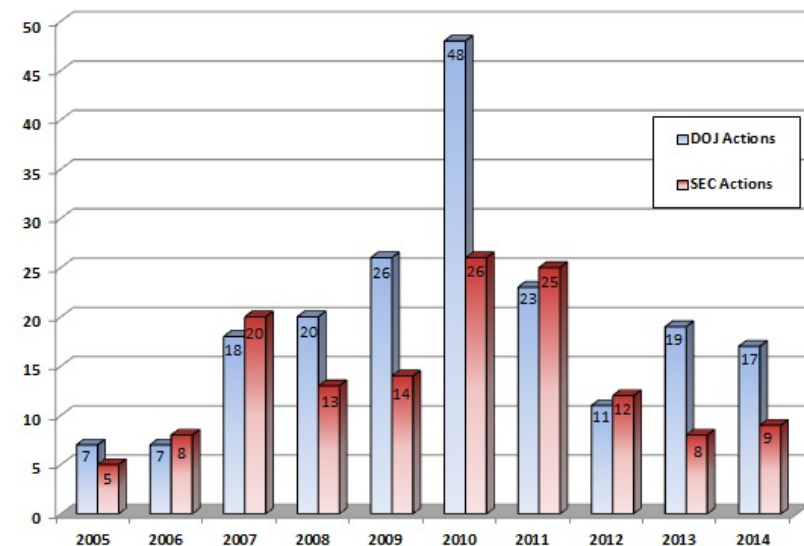
Anti-Bribery Provisions

- Corporations: Criminal penalties include a \$2 million fine or twice the gain or loss, and possible suspension and debarment by the U.S. government.
- Individuals: Criminal penalties include up to five years imprisonment, and a \$250,000 fine or twice the gain or loss.

Books-and-Records Provisions

- Corporations: Criminal penalties up to a \$25 million fine.
- Individuals: Criminal penalties include up to 20 years imprisonment, and a \$5 million fine.

Number of FCPA Enforcement Actions Per Year*



*As of March 24, 2014

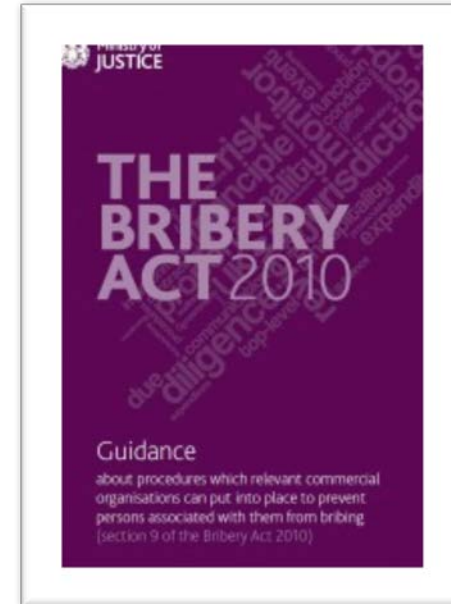
UK Bribery Act 2010

The Bribery Act considers the following to be offenses:

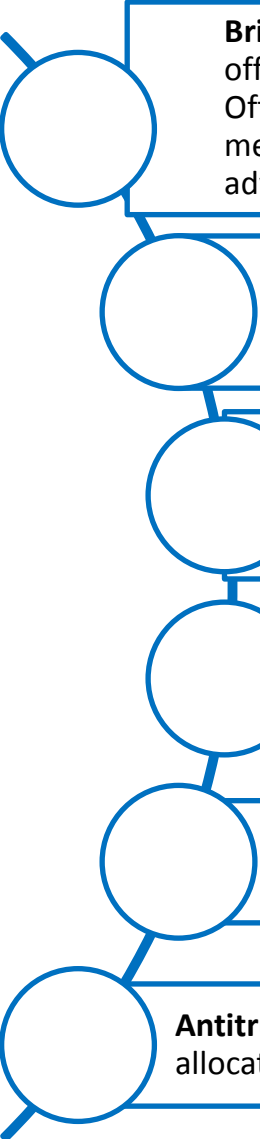
1. Offering, promising or giving of an advantage with the intent to induce a person to act improperly (active bribery)
2. Requesting or agreeing to receive the acceptance of an advantage to perform a function improperly (passive bribery)
3. bribery of a foreign (non-U.K.) public official
4. failure by a commercial organization to prevent a bribe being paid for or on its behalf

Directors and senior officers of a company are also personally liable if they know a bribe is happening or pretend that its not happening.

Companies can be liable if a third party pays a bribe on its behalf, even if the company did not know or approve of the bribe-paying. The penalty is up to ten years' imprisonment and unlimited fines.



Wyndham Prohibits



Bribing Public Officials. Directly or indirectly, offering, promising, giving, paying or authorizing the offer, promise, gift or payment of anything of value, including Facilitation Payments, to any Public Official, political party or party official or candidate for public office in any jurisdiction or family members of such individuals, as an inducement or reward to obtain or retain business, a business advantage or favorable regulatory treatment.

Commercial Bribery/Corruption. Offering, promising, giving, paying or authorizing the offer, promise, gift or payment, directly or indirectly, of Anything of Value to employees or others who are working on behalf of Wyndham as an inducement or reward for improperly granting business, a business advantage or favorable treatment.

Accepting/Receiving Bribes. Requesting or accepting or agreeing to accept, for themselves or for anyone else, a financial or other advantage in connection with the Company's business, including any inducement or reward for improper performance of employment or any other activity.

Facilitation Payments. Otherwise known as "grease" payments, which involve payments of a small amount of money to expedite a routine action by a government official.

Fraud. Individuals and businesses from knowingly falsifying books and records (e.g., invoices) or knowingly circumventing or failing to implement a system of internal controls.

Antitrust. Engaging in conduct or communication that causes: price-fixing, bid rigging, market division or allocation schemes, tying agreements, illegal boycotts, abuse of dominance or illegal monopolization.

Wyndham's Supplier Code of Conduct

You must comply with Wyndham's Supplier Code of Conduct
available at: <http://suppliers.wyndham.com>

ETHICAL STANDARDS Wyndham expects its suppliers to conduct business with ethical standards and

- Obey all relevant laws (Local and U.S.)
- Treat each other fairly, with dignity and respect
- Prepare all records of financial transactions carefully and accurately
- Report financial conditions and results of operations, honestly and promptly
- Deal honestly and fairly with clients, customers, suppliers, franchisees and financial partners
- Avoid actual and potential conflicts of interest
- Avoid the improper giving and receiving of gifts
- Safeguard Wyndham's assets
- Properly handle competitive data, intellectual property, and other proprietary and/or sensitive information, including Wyndham client, customer, guest and/or employee information, and protect against unauthorized disclosures
- Protect Wyndham's reputation
- Separate personal political activities from Wyndham business
- Report observed violations of legal and ethical standards

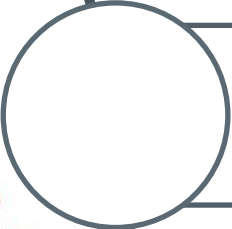


Reporting Concerns



INTEGRITY LINE

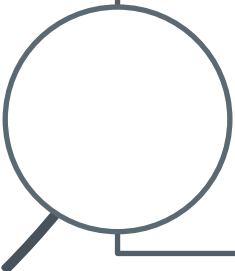
Wyndham global hotline.



Third Parties must report any concerns regarding corruption to Wyndham management or through the Integrity Hotline.



The toll-free number for the U.S. and Canada is 844-330-0231.



A list of international Integrity telephone numbers is available at Appendix A of the Supplier Code of Conduct, which is available at:

<http://suppliers.wyndham.com>

Where to find additional information

- *A Resource Guide to the U.S. Foreign Corrupt Practices Act*

<http://www.justice.gov/criminal-fraud/fcpa-guidance>

- The Bribery Act 2010 Guidance

<http://www.justice.gov.uk/downloads/legislation/bribery-act-2010-guidance.pdf>

- Transparency International

<https://www.transparency.org/>



Key Messages

Wyndham prohibits all forms of Corruption

Anti-Corruption Laws are extra-territorial, you can be prosecuted in your home country or a third country

Corruption is a criminal offense

Individuals are increasingly being held responsible for corporate misconduct

Penalties range from heavy fines to imprisonment

Wyndham requires all employees and Third Parties to report actual or suspected Corruption, to Wyndham management or the Integrity Hotline

