



## Anti-Corruption Policy

effective as of September 1, 2006  
amended and restated as of August 1, 2010

The Company is committed to conducting its business with honesty and integrity and in compliance with the laws of all the countries in which the Company is active. This includes compliance with all laws, domestic and foreign, prohibiting improper payments or inducements to any person, including public officials. To ensure compliance with these laws and the related requirements of the Liberty Global Code of Business Conduct under "International Business Practices – Anti-Corruption Laws" and "Maintaining Personal and Business Integrity", the Company has adopted this Anti-Corruption Policy. This Policy applies, subject to and in accordance with any applicable local law or legal requirement, to each director, officer and employee of Liberty Global, Inc. and of each of its direct or indirect subsidiaries to which the Liberty Global Code of Business Conduct applies, and to each agent, representative, consultant and independent contractor acting on behalf of the Company or any such subsidiary (collectively, "Company Personnel"). Subsidiaries not covered by the Liberty Global Code of Business Conduct are expected to adopt their own policies equivalent to this Policy. Unless the context otherwise requires, references to the "Company" in this Policy include the Company's direct and indirect subsidiaries and controlled affiliates, individually and collectively.

### **Statement of Policy**

- Company Personnel shall not permit any use of the funds or other assets of the Company for any unlawful or improper purpose.
  
- Company Personnel shall not
  - make, or authorize anyone to make on behalf of the Company,
  - any payments or gifts or offers or promises to pay money or give anything of value to or for the benefit of any person, including any "Public Official",
  - that is or may appear to be related to obtaining or retaining business with any person, directing business to any person, obtaining any other advantage in the conduct of business, or inducing or rewarding the "improper" performance by any person of any function or activity
  - or consent to, or connive in, any of the above.

"Public Official" for this purpose includes all officials, employees, agents and representatives of any branch or level of government (executive, legislative or judicial and whether national, state or local) or of any governmental department or agency (including advisors to such agencies and branches), directors, officers and employees of State-owned or controlled companies (including their consultants, advisors, agents and other representatives), political parties, party officials and candidates for office, and officials and employees of public international organizations such as the European Union or the United Nations (including their consultants, advisors, agents and other representatives).

The performance (or failure to perform) any function or activity is “improper” if it breaches the expectations of good faith or impartiality or breaches a position of trust.

- Company Personnel shall not make contributions of funds, facilities or services of any kind to political parties or officials or candidates for office to obtain their support for executive, legislative, administrative or other action favorable to the Company.
- Company Personnel shall not give or offer to give on behalf of the Company any money, gift or thing of value to a third party if he or she knows or has reason to believe that it will be offered to a Public Official or any other person to obtain or retain business with any person, to direct business to any person, to obtain any other advantage in the conduct of business, or to induce or reward the improper performance by any person of any function or activity.
- The books and records of the Company must reflect, accurately and fairly, the transactions of the Company and dispositions of its assets. No undisclosed or unrecorded funds or assets are to be established for any purpose.
- Company Personnel who are involved in international business transactions must become familiar with the anti-corruption laws of the countries in which the Company operates and are responsible for seeking the advice of the Company’s U.S. Legal Department in any situation involving questionable payments.

It is a matter of the highest priority for the Company, and vital to the interests of our shareholders, customers and employees, that all Company Personnel scrupulously observe this Policy.

### **Anti-Corruption Laws**

The anti-corruption laws of numerous countries apply to the conduct of the Company’s business because of the global scale of its operations. One of the oldest and in some respects the farthest reaching of these laws is the U.S. Foreign Corrupt Practices Act (“FCPA”). For a description of the FCPA’s prohibitions (including illustrative hypotheticals), affirmative obligations and sanctions, see Exhibit A to this Policy. **You must read Exhibit A carefully.**

In addition, 38 countries have adopted legislation to implement the Organization for Economic Cooperation and Development’s Convention on Combating Bribery of Foreign Officials in International Business Transactions. These countries include most of the countries in Europe, Asia and the Americas in which the Company has operations. Also applicable are the Organization of American States’ Inter-American Convention Against Corruption, the Council of Europe’s Criminal Law Convention on Corruption and Civil Law Convention on Corruption, and the United Nations’ Convention against Corruption.

The primary focus of many of these laws, including the FCPA, is to prohibit improper inducements to “foreign” officials or in connection with “international” business transactions. However, the laws of many countries also prohibit the bribery of domestic officials. Because of the international scope of the Company’s operations, the practical effect of all these laws is to prohibit improper inducements to any public official, domestic or foreign. An improper payment by an employee who is a national of Country X to a local official in Country X to benefit the purely local business of a Company subsidiary in Country X could result in a violation by the Company, the subsidiary and/or the employee under one or more applicable anti-corruption laws, including the FCPA. Such conduct would also violate this Policy and the Company’s Code of Business Conduct.

Moreover, numerous countries have adopted commercial bribery laws. For example, the recently enacted U.K. Bribery Act 2010 prohibits the offering or providing to persons in private businesses, whether domestic or foreign, of any inducements to or rewards for the improper performance of any function or activity. This would include any activity connected with a trade or business or performed in the course of a person's employment or on behalf of an entity. The solicitation or acceptance of any such inducements or rewards is also prohibited. The U.K. Bribery Act 2010 is far reaching, covering bribery of domestic and foreign officials and private persons, applying extraterritorially to non-U.K. citizens and businesses and to conduct outside of the U.K., and imposing strict liability on companies for failure to prevent bribery.

Company Personnel are expected to comply with the letter and intent of all applicable laws, including anti-corruption and bribery laws. Bribery and corruption of any form will not be tolerated by the Company.

## **Compliance Procedures**

### *Responsibility*

All Company Personnel are responsible for complying with this Policy and all applicable anti-corruption laws in the performance of their duties as an employee or agent of the Company.

The Company's U.S. Legal Department is responsible for providing legal advice regarding the FCPA, other applicable anti-corruption laws and this Policy, including responding to requests for information or for review of proposed activities.

The Company's Compliance Department is responsible for oversight of the testing of the Company's internal controls established in accordance with the FCPA.

### *Reporting Violations*

If you receive information that an improper payment has been made, promised or authorized or that any other violation of applicable anti-corruption laws or this Policy may have occurred, you must notify your Compliance Officer, a member of the legal department of your business unit, the General Counsel for your region or division (in the case of employees in our European operations or the chellomedia division) outside counsel designated for this purpose or the General Counsel of Liberty Global, Inc. as soon as possible. You should indicate that you are reporting this information as a confidential communication for the purpose of obtaining legal advice. The Compliance Line may also be used if you feel the need to communicate your concerns anonymously. Because of the difficulty of properly investigating matters communicated anonymously, however, we encourage you to report your concerns directly to one of the persons identified above. Once you have made a report, no further action should be taken until a response is received. Any Compliance Officer or other person to whom a suspected violation is reported must ensure that the General Counsel of Liberty Global, Inc. is notified promptly.

The Company will not permit retaliation against any person who, in good faith, reports a suspected violation of this Policy.

### *Political Contributions*

Without prior written approval, no funds, facilities or services of the Company of any kind may be paid or furnished to any political candidate for public office, any political party or official or any form of political campaign. When any type of political contribution is being considered, the final determination in terms of amount, timing and means of contribution shall be subject to the prior written approval of the following:

for the U.S., the Chief Executive Officer and the General Counsel of Liberty Global, Inc. or their respective designees; for the UPC Broadband division, the President of UPC Broadband and the General Counsel of Liberty Global Europe, B.V., or their respective designees; for the chellomedia division, the President and the General Counsel of chellomedia, or their respective designees; and for the Americas, the President of Liberty Global Latin America and the General Counsel of Liberty Global, Inc., or their respective designees. The foregoing approval requirement is in addition to any internal approval requirements of the applicable business unit, such as for General Manager or Managing Director approval.

#### *Civic and Charitable Contributions*

Corporate civic and charitable contributions may also implicate anti-corruption laws depending upon the circumstances. Accordingly, corporate contributions, whether through the payment of funds or the furnishing of facilities or services, must comply with the policies and procedures, including internal approval requirements, of the applicable business unit and the Company in effect from time to time.

#### *Travel Expenses, Facilitating Payments, and Payments Permitted under Host Country Written Laws*

Anti-corruption laws include narrow exceptions for certain payments to or for the benefit of Public Officials, such as for travel and lodging expenses or payments expressly permitted under the written laws of the host country. **Prior authorization of the legal department of your business unit and of the Company's U.S. Legal Department is required for Company Personnel to rely on these exceptions.**

The payment or reimbursement of travel and travel-related expenses of Public Officials can raise issues under the FCPA and other anti-corruption laws. Bona fide expenses for the travel, meals and lodging of Public Officials may be paid or reimbursed by the Company if certain requirements are met. The purpose of the expense must relate directly to the promotion, demonstration or explanation of a product or service of the Company or to the execution or performance of a contract of the Company with a government, government agency or government-owned or government-controlled enterprise. The offer to pay or reimburse and the actual payment or reimbursement of expenses to Public Officials must be fully documented and must not violate the written law applicable to that Public Official. The expenses must be reasonable. **Extravagant expenses will not be authorized.**

"Facilitating payments" are typically small payments made to lower level Public Officials to expedite or secure the performance of a routine nondiscretionary governmental action – for example, obtaining a visa when all legal requirements are met. Facilitating payments are sometimes permitted by the FCPA if properly recorded. However, in many countries facilitating payments are prohibited by law. Accordingly, this Policy **prohibits** the making of facilitating payments, except in circumstances that involve an imminent and credible threat to the health, safety or well-being of an employee, family member or co-worker. In such case, the payment must be properly and timely recorded in the Company's books and records and the U.S. Legal Department must be notified immediately.

#### *Intermediaries*

This Policy prohibits the use of intermediaries to facilitate prohibited payments to any person, including Public Officials. The Company may be held liable for actions of third parties whether authorized or not. See "*Guidelines for Dealing with Potential Agents and Joint Venture Partners and Investing in Foreign Businesses*" below for steps that should be taken before engaging an agent or consultant, entering into a business relationship with a joint venture partner or investing in an entity.

### *Books and Records*

This Policy prohibits the maintenance of undisclosed or unrecorded funds or assets for any purpose and records that disguise or misrepresent any aspect of a transaction. Examples include, but are not limited to:

- numbered foreign bank accounts
- bank accounts containing corporate funds but held in the names of individuals
- unrecorded petty cash or "black box" funds
- real and personal property held by a nominee
- records that reflect a payment to "X" when the payment was actually made to "Y"
- records that reflect the payment of a certain amount to an agent when there is an understanding that the agent will pay a portion of this amount to a Public Official or some other person or entity.

Each transaction and disposition of assets by the Company must have proper authorization, must be timely recorded, must be accurately recorded in terms of amount, accounting period and accounting classification and must accurately reflect the substance and purpose of the transaction. No transaction shall be entered into that requires or contemplates the making of false or fictitious entries or records in whole or in part. No accounting balances shall be created or maintained that have no documentary support or that have no reasonable basis in fact.

Except for fully documented escrow arrangements entered into in connection with financing or M&A transactions, no third-party accounts, including bank accounts or securities accounts, for the Company shall be established other than in the name of the Company without the prior written approval of the Chief Executive Officer and Co-Chief Financial Officer (Principal Financial Officer) of Liberty Global, Inc. or their respective designees.

Adjustments to accounting records must follow established procedures. Once finalized, documents are not to be altered.

### *Inquiries from Auditors*

Any inquiry from the internal or independent auditors of the Company must be responded to fully and promptly. No information shall be withheld that may be material to providing a complete and accurate answer.

### *Prohibited Means of Payment*

No corporate check shall be written to "cash", "bearer" or third-party designees of a party entitled to payment. Wire transfers should only be made to bank accounts in the name of the person entitled to payment and not to a third-party account designated by such person. Other than fully documented petty cash transactions, no transaction in cash that is not evidenced by a receipt bearing the signature of the recipient shall be made. In those situations, the recipient must also be the acting party in a fully documented business relationship with the Company.

No payments shall be made outside the country of the principal place of business of the person entitled to payment without the prior written approval of the Chief Executive Officer and Co-Chief Financial Officer (Principal Financial Officer) of Liberty Global, Inc. or their respective designees.

The person entitled to payment will generally be the person with whom the Company has the documented business relationship. Appropriate exceptions would include payments to the person providing the products or services to the Company where the business relationship is with the parent company of such person (as may be the case for procurement contracts with multi-national companies). When the business relationship is with an agent or intermediary, a direct payment to the person providing the product or service is permissible and may be the preferred method of payment depending on the circumstances. Other exceptions will require the prior written approval of the Co-Chief Financial Officer (Principal Financial Officer) of Liberty Global, Inc. or his designee. Payments in the nature of political contributions and corporate contributions are separately addressed above.

#### *Maintenance and Retention of Records*

Access to systems of accounting or financial records shall not be permitted for individuals without proper authorization. Record destruction may only be undertaken in compliance with applicable Company policies concerning the retention and destruction of records. Records in their original form shall not be removed from the Company without prior written authorization.

#### **Guidelines For Dealing With Potential Agents and Joint Venture Partners and Investing in Foreign Businesses**

Improper activities of an independent agent, local representative, consultant or independent contractor acting on behalf of the Company (collectively "agents") or of a joint venture partner or co-investor in a business with the Company (collectively, "partner") or of an entity in which the Company has invested ("investee") can result in liability for the Company under the FCPA and other applicable anti-corruption laws if the Company failed to take appropriate steps to prevent such activities. The primary danger of a violation of law lies in the activities of a local agent, partner or investee in another country where illicit payments may be accepted or prevalent. To protect the Company against liability, the steps outlined below should be taken.

#### *Due Diligence*

To reduce the risk of problems under anti-corruption laws, the first and most critical step is to conduct and document an appropriate due diligence review of the background of potential local agents, partners and investees before the business relationship is formed or the investment made. The inquiry should be especially probing if local law or practical realities of the circumstances would make it difficult for the Company to sever the relationship or extract itself from the investment.

Special attention is required if certain factors or "red flags" are present. A "red flag" is a set of facts that given the context would give a reasonable person a basis to be concerned that improper activities may be intended or likely to occur. The presence of any of the following "red flags" would suggest that heightened due diligence is necessary and may, depending on the circumstances, preclude the business relationship:

- The country in which the potential agent, partner or investee is located or where work is to be performed or business conducted has a history of payoffs for government officials;
- The potential agent or a party to the transaction (e.g. the potential partner or investee or a member of management or one of the owners of the potential investee) has a reputation for questionable activity, for example, making improper or unethical payments;

- The potential agent or a party to the transaction does not appear capable of performing the intended services or there has been a pattern of misrepresentations or inconsistent statements during discussions or negotiations;
- The potential agent or a party to the transaction is related to or has ties to a Public Official or other person who is in a position of potential influence with respect to the Company's business or the business to be invested in or is recommended by a Public Official or other person to be retained or partnered with in connection with the proposed transaction;
- The potential agent or a party to the transaction has a record of or reputation for significant contributions to political parties or candidates for office;
- The potential agent or a party to the transaction requests that payments be directed to a third party rather than to the agent or partner; gives instructions for payment to be made in a third country or requests that the Company provide an invoice substantially in excess of the actual price for the goods or services supplied;
- The potential agent or a party to the transaction insists on anonymity or a lack of transparency as to the details of how objectives are achieved;
- The potential agent or a party to the transaction refuses to agree to provide documentation for expenses or asks for payment in cash (including a check made out to "cash") or refuses to disclose relevant accounting records or other financial information;
- The potential agent or a party to the transaction refuses to warrant that it will not take any action in furtherance of an unlawful offer, promise or payment to a Public Official or other person or rejects proposed contractual provisions related to compliance with applicable laws and regulations related to improper inducements or to accounting and recordkeeping;
- The commission structure requested by the potential agent is unusual or excessive (for example, a substantial upfront payment is requested or the payments are disproportionate to the expertise of the agent or the services to be performed); or
- Unusual bonuses have been paid to managers of the operations of the potential agent, partner or investee.

If any of these "red flags" or any other questionable circumstances are present, the business relationship or investment should not be entered into without the authorization of the Company's U.S. Legal Department following a complete due diligence investigation of the background of the potential agent, partner or investee, including satisfactory conclusions reached concerning the "red flag" information. The due diligence process should be carefully documented. The documentation should summarize the sources consulted, which must be reliable, competent and willing to provide a candid assessment; the results of the review, including any questions raised by the review and how they were resolved or an explanation of why they remain unresolved; and the reasons why the business relationship or investment is prudent, including the evidence supporting the decision (for example, the experience, expertise and resources of the potential agent).

### *Contractual Provisions and Other Measures*

As additional protection for the Company against exposure to violations of the FCPA and other applicable anti-corruption laws, the engagement, business relationship or investment should be documented by a written agreement. The provisions listed below, appropriately adapted to the circumstances, are recommended for inclusion in the written agreement.

- Prohibitions against third-country payments and cash payments. Payments must be made through a bank transfer or a check made out to the person to whom the payment is made.
- A covenant by the agent not to employ a subagent or representative without the prior written approval of the Company.
- Prohibitions on improper inducements to Public Officials or other persons and a warranty and covenant that the parties understand and will comply with relevant anti-corruption laws. In the case of an investment in an existing entity, it is advisable to seek a commitment from the investee to implement express policies against improper inducements to Public Officials or other persons if such policies are not already in place.
- Warranties and covenants with respect to the maintenance of adequate internal controls and accurate books and records.
- A means for the Company to terminate or withdraw from the relationship, without penalty and without any further liability or obligation under U.S. or local laws, in the event of a breach by the other party or the investee of any warranty, covenant or undertaking related to compliance with the anti-corruption provisions or accounting and recordkeeping provisions of the FCPA and other applicable laws.
- Provisions affording the Company sufficient rights of access to information and audit rights to verify the accuracy of books and records and compliance with applicable anti-corruption laws.

A written agreement cannot by itself eliminate the possibility of prohibited conduct. Ongoing monitoring of compliance with the terms of the agreement and consistent enforcement is required.

## Exhibit A

### FCPA OVERVIEW

#### Who is covered by the FCPA?

The FCPA applies to two broad categories of persons: those with formal ties to the U.S. and those who take any action in furtherance of a violation within the U.S. The first category includes all companies organized in or with a principal place of business in the U.S.; all companies, domestic or foreign, with securities registered in the U.S. or otherwise subject to the reporting requirements of the U.S. Securities and Exchange Commission ("SEC"); and all citizens, nationals or residents of the U.S. The second category includes non-U.S. nationals and companies if any conduct by them relating to the violation touches the U.S. Foreign subsidiaries or controlled affiliates of the Company and their respective directors, officers, employees, agents or representatives may be directly liable for violations of the FCPA or the Company may be held liable for their actions. In addition, most of the countries in which the Company's subsidiaries and controlled affiliates operate have enacted anti-corruption laws.

#### What obligations does the FCPA impose?

The FCPA imposes both prohibitions and affirmative obligations. The FCPA broadly prohibits any payment designed to cause a "Foreign Official" to take any action or make any decision that would benefit the payor's business interest. The definition of Foreign Official in the FCPA is the same as the definition of Public Official in this Policy, except that references to government, governmental department or agency and political parties or candidates are qualified by "foreign". The FCPA also imposes strict recordkeeping and internal control requirements on U.S. issuers like the Company that extend to their foreign as well as domestic subsidiaries.

#### *Antibribery Provisions*

##### *Prohibited Payments*

The FCPA prohibits

- any offer to pay, payment, promise to pay or authorization of the payment of money or anything of value
- to any Foreign Official or to any other person, knowing that the payment or promise will be passed on to a Foreign Official
- for the purpose of (a) influencing any act or decision of that person; (b) inducing such person to do or omit any action in violation of his lawful duty; (c) securing an improper advantage; or (d) inducing such person to use his influence to affect an official act or decision
- in order to assist in obtaining or retaining business for or with, or directing any business to, any person.

"Payment" is broadly defined for purposes of the FCPA. The prohibited payment need not be monetary. Nonmonetary benefits, including travel and entertainment, fall within the FCPA definition. The FCPA

contains no monetary threshold so even the smallest amount can be a prohibited bribe. Moreover, an actual payment need not be made. An offer to pay, or even the authorization of the payment, is a violation.

It is also unlawful to make or promise a payment to any intermediary while knowing that all or a portion of the payment or promise will be passed on, directly or indirectly, to any Foreign Official for a corrupt purpose. For these purposes, the term "knowing" is extremely broad and includes the concepts of "conscious disregard" and "willful blindness." Accordingly, companies and individuals can be held liable for violating the FCPA *even if they have no actual knowledge that bribes are being paid*.

"Foreign Official" is also broadly defined. The term includes any employee or person acting on behalf of any public international organization or any agency, instrumentality, subdivision or other body of any foreign national, state or local government, including hospitals, health or research facilities, charities and schools which are owned or operated by a foreign government, sovereign wealth funds and their employees and officials, foreign regulatory agencies, and government-controlled businesses, corporations, companies or societies.

The "business" purpose of the corrupt payment need not be to obtain or retain business with the government or a government-owned entity. Rather, the FCPA is also violated if the corrupt payment is made to facilitate obtaining or retaining business with a third party.

#### *Permitted Payments*

The FCPA permit payments to Foreign Officials in the following limited circumstances:

- reasonable and bona fide expenditures directly related to (a) the promotion or demonstration of products or services or (b) the performance of a contract with the foreign government or agency (for example, travel and lodging expenses for a visit to a plant or worksite, a trip to a trade show or conference or for travel to corporate headquarters to sign a contract),
- certain small payments made to facilitate or expedite performance of routine nondiscretionary governmental functions (for example, obtaining a visa where all legal requirements have been satisfied) and
- payments that are permitted under the written laws of the host country.

These exceptions are extremely limited and should never be relied upon without the authorization of the legal department of your business unit and the Company's U.S. Legal Department (see "Compliance Procedures" above). Moreover, facilitating payments are **NOT** allowed by the Company, except where demanded with an imminent and credible threat to a person's health, safety or well-being.

#### *Accounting and Recordkeeping Provisions*

The Company and all its subsidiaries are required to make and keep books, records and accounts which in reasonable detail accurately and fairly reflect the transactions and dispositions of their funds and assets. Each of these companies is also required to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurance that:

- all transactions are executed in accordance with management's general or specific authorization;

- transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain clear accountability for assets;
- access to assets is permitted only in accordance with management's general or specific authorization; and
- the recorded accountability for assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

The majority of FCPA enforcement actions brought by the SEC arise from violations of the accounting and record-keeping requirements of the FCPA. For example, the Company could be charged with violating the FCPA if a subsidiary of the Company booked as "consultant fees" money that was paid to a third party for other reasons. This violation would occur whether or not the third party ultimately paid the funds to a Foreign Official.

### ***Sanctions***

Violations of the FCPA's anti-corruption provisions can subject the Company to fines of up to \$2 million per violation. Individuals who violate these provisions are subject to imprisonment for up to five years and fines of up to \$100,000. Knowing and willful violations of the accounting and recordkeeping requirements will subject the Company to fines of up to \$2.5 million per violation. Individuals who knowingly and willfully violate the FCPA's accounting provisions will be subject to imprisonment for up to 10 years and fines of up to \$1 million. **Fines imposed on individuals may not be paid by the Company.** There can be related criminal and civil penalties as well.

### **FCPA Hypotheticals**

The following hypothetical questions were prepared to illustrate certain types of situations that raise issues related to the FCPA.

**Question A:** You are approached by an official from the agency responsible for granting a license that the Company is interested in obtaining. He hints that the agency would be more favorably disposed to the Company's application if it were to provide various officials with monetary or other gifts. When told this would violate Company policy, he suggests that a local consultant could facilitate such payments, which are considered routine in their country. Is this proper under the FCPA as long as the intermediary makes the payments?

**Answer:** No. The FCPA prohibits direct or indirect payments or gifts to a foreign government official if the objective is to obtain or retain business for the Company. The person or entity actually making the payment or giving the gift is not relevant where, as here, the payments would be made by the consultant on behalf of the Company and with its knowledge. Nor is it relevant that such payments are "routine" in the host country. Although the FCPA provides a defense for payments that are legal under the written laws of the host country, legislation rarely, if ever, expressly permits public officials to accept money in exchange for business favors.

**Question B:** You have engaged a local consultant to advise you on local legal and political matters relating to a significant telecommunications project. You have a good relationship with this consultant and, over drinks one night, he suggests that you increase his commission, which would permit him to expedite the granting of necessary licenses and to allow the Company to complete the project on time. What should you do?

**Answer:** You should question the consultant carefully as to the reasons for his request and as to what he means by expediting the granting of necessary licenses and completing the project on time. You should then alert your Compliance Officer, a member of the legal department of your business unit, outside counsel designated for this purpose, the General Counsel for your region or division, or the General Counsel of Liberty Global, Inc. immediately. An independent investigation will be undertaken to determine the appropriate steps to take.

**Question C:** You are approached by an official from the government agency responsible for approving an acquisition that the Company is pursuing. He hints that the agency would be more favorably disposed to approve the transaction if the Company (or its local agent) were to make a political contribution to the governing party's reelection campaign. Corporate political contributions are lawful under the law of the host country. Is such a contribution allowed under U.S. law?

**Answer:** Probably not. The FCPA prohibits payments to foreign political parties if the payment is made to influence a foreign government or agency to assist the company making the payment (directly or indirectly through third persons) in obtaining or retaining business. Here, the payment would be made to a political party with the objective of obtaining approval of an acquisition that the Company is pursuing. Compliance with local laws may not provide a valid defense to an FCPA charge. Moreover, this Policy prohibits such payments.

**Question D:** A government agency purchases services from the Company through a purchasing agent. An official of the purchasing agent approaches you, as the person in charge of this relationship, and advises you that the government agency is considering diversifying its suppliers. He suggests that the officials who would be in charge of this decision at the government agency may be persuaded to maintain the status quo with the Company if they receive certain incentives. He recommends that you start submitting reduced invoices to the purchasing agent, which will then use a portion of the differential between what it bills the government agency and what it pays the Company to help "persuade" the relevant government officials to "make the right decision". What should you do?

**Answer:** The conduct proposed by the purchasing agent would violate the FCPA's prohibition on indirect payments to government officials to retain business for the Company, as well as this Policy and the Company's Code of Conduct. Recording the reduced revenue from the invoices would also violate the books and records provisions of the FCPA. Whether you are recording reduced revenue as in this example or an increased commission as in Question B, the substance of the transaction is being disguised in the books and records which is an FCPA violation. Furthermore, the fact that the purchasing agent is willing to bill the government agency at a higher rate than it is being charged for the Company's services may indicate that it has in the past or may in the future engage in fraudulent billing of the government agency. You should alert your Compliance Officer, a member of the legal department of your business unit, outside counsel designated for this purpose, the General Counsel for your region or division, or the General Counsel of Liberty Global, Inc. immediately. The Company should not only reject the purchasing agent's proposal but should also seek to establish a direct billing relationship with the government agency to ensure that the Company does not become a party, even unwittingly, to fraud.