



# Third Party Code of Business Conduct & Ethics

This Third Party Code of Conduct (the Code) sets out standards of conduct for PayPal's Third Parties including suppliers, vendors and partners (collectively referred to as "Third Parties"). Third Parties which subcontract all or a portion of the services to a third party are encouraged to require the subcontractors to acknowledge the Code and implement equivalent standards of conduct.

The intent of the Code is to set clear expectations for ethical business practices and social and environmental awareness by all Third Parties in a contractual relationship with PayPal. PayPal expects Third Parties to comply fully with the Code and may take measures to ensure compliance and address potential instances of non-compliance with the Code. The Code will be reviewed periodically for further updates and clarifications.

## Exchange of Business Courtesies

**Business Courtesies.** Third Parties should avoid giving gifts, favors or anything of value that might influence, or even appear to influence, the independent judgment of PayPal employees or representatives. Third Parties should never feel obligated to provide gifts or entertainment to any PayPal employee or representative or expect to receive them, even if they are of nominal value. Gifts and entertainment should not embarrass PayPal, the Third Party, or the recipient. Acceptable business courtesies typically include:

- **Gifts.** Gifts should be infrequent and not substantial in value (less than US\$50 or amount specified in applicable laws whichever is lowest). Permissible gifts include such things as moderately priced clothing or memorabilia bearing the logo of the Third Party (shirts, hats, pens, etc.) or baskets of food. Gifts must comply with applicable laws, including extra-territorial laws such as the US Foreign Corrupt Practices Act and the UK Bribery Act, and be consistent with local custom and practices. Cash or cash equivalents such as gift cards or shopping vouchers should never be given or accepted. Gifts to PayPal employees that violate PayPal policies will be returned to the Third Party or handled in a manner that complies with PayPal internal policies.
- **Entertainment and Meals.** Third Parties may offer reasonable business entertainment, such as attending a cultural or sporting event with a business counterpart, so long as the entertainment is reasonable and customary in scale and expense, and in furtherance of the business relationship. Entertainment should be conducted in an appropriate setting or venue which would not cause embarrassment to PayPal. Travel and lodging (including the use of real estate such as vacation property and timeshares) may not be offered to or accepted by PayPal employees or representatives. Amount of meals or entertainment should not exceed US\$150 in aggregate market value or amount specified in applicable laws whichever is lowest.

## Improper Payments and Illegal Conduct

**Bribery, Kickbacks and Similar Payments.** PayPal does not pay nor receive bribes, kickbacks or similar payments. PayPal does business on the merits of services, not based on any form of bribery or any other corrupt or unethical business practice. Third Parties shall not offer nor accept bribes to obtain an improper advantage. Third Parties are responsible for overseeing the conduct of their subcontractors and ensuring that all applicable laws are not violated.

**Payments to Government Officials, State-owned Entities, or Candidates for Political Office.** The U.S., the European Union, and many other countries have banned bribery. Third Parties are prohibited from making any unlawful or improper payments, paying or receiving kickbacks, or giving gifts or anything of value to any public or government official or political candidate in order to advance the Third Party's or PayPal's business interests, nor shall the Third Party engage intermediaries to facilitate bribery.

**Expediting Payments.** Expediting payments (also known as “facilitating” or “grease” payments) are payments made to speed up or secure the performance of a routine government action, such as visa processing or customs clearance. Many countries around the world treat these payments as illegal bribes. Third Parties shall not make any expediting payments to government employees in relation to the contractual services they are offering to PayPal, no matter where Third Parties are doing business. This is the standard PayPal expects regardless of local customs in the locations where Third Parties do business. PayPal shall be informed immediately if the Third Party is requested to make an expediting payment.

**Business Integrity.** Corruption, extortion, fraud, and embezzlement, in any form, are prohibited. Third Parties must not engage in unfair business practices in advertising, sales, and competition.

**Conflicts of Interest.** Third Parties will not offer any goods, services, business opportunities, commissions or advantageous financial arrangements that would personally benefit a PayPal employee. Additionally, Third Parties agree to disclose conflicts of interest that may exist in relationships to PayPal as well as any personal or familial relationships that Third Parties have with a PayPal employee, and that could reasonably be perceived as unduly affecting or influencing the Third Party’s business relationship with PayPal. The Third Party should disclose any such conflicts of interest during the Third Party due diligence process or subsequently, when a relationship develops, the Third Party should disclose them to [speakup@paypal.com](mailto:speakup@paypal.com).

**Relationships with Politically Exposed Persons.** Third Parties agree to disclose any close relationships with any “Politically Exposed Persons” who are defined as individuals who are or have been entrusted with prominent public functions by a country, for example heads of state or heads of government, senior politicians, senior government, judicial or military officials, senior executives of state owned corporations, important political party officials etc. Third Parties should disclose any such relationships with any “Politically Exposed Persons” during the Third Party due diligence process or, if a relationship subsequently develops, promptly disclose them to [speakup@paypal.com](mailto:speakup@paypal.com).

**Accurate Accounts and Records.** Third Parties must ensure that their accounting and financial records meet the highest standards of accuracy and completeness. PayPal reserves the right to audit or inspect Third Parties’ records and facilities, as applicable and permitted by law.

## Labor and Human Rights

**Equal Employment Opportunity.** PayPal is an equal opportunity employer. Employment here is based solely upon ability. PayPal does not discriminate on the basis of ethnicity, religious beliefs, national origin, ancestry, pregnancy status, gender or gender identity, age, marital status, disability, medical condition, sexual orientation, or on any other basis protected by law. PayPal will make reasonable accommodations to meet PayPal’s obligations to accommodate disabilities and religious practices. PayPal expects Third Parties to adopt similar policies.

**Human Trafficking.** Third Parties are required to comply with all applicable laws relating to slavery and human trafficking in the country or countries in which they operate and not engage in any activity, practice or conduct that would constitute an offence. Third Parties shall also include in its contracts with its subcontractors and suppliers anti-slavery and human trafficking provisions that similarly ensure that subcontractors shall comply with all applicable laws, statutes, regulations and codes relating to slavery and human trafficking. Any form of forced, compulsory or slave labor is prohibited and Third Parties shall ensure that neither of their officers or employees have been convicted of any offence involving slavery and human trafficking. Third Parties’ employees must work voluntarily and are entitled to leave work. Third Parties shall provide each employee with an employment contract that contains a reasonable notice period for terminating their employment. Third Parties must not require employees to post a deposit/bond or withhold their salaries for any reasons. Third Parties must not require employees to surrender their passports or work permits as a condition of employment.

**Child labor.** No person shall be employed younger than age 14 unless specifically permitted by laws of the country where the person is employed. The Third Party shall not interfere with a child's education by employing a child in violation of a country's compulsory education laws.

**Harassment or abuse.** Every employee shall be treated with respect and dignity. No employee shall be subject to any physical, sexual, psychological or verbal harassment or abuse.

**Health and safety.** Third Parties should provide a safe and healthy work environment to prevent accidents or injury arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities.

**Wage and benefits.** Third Parties should pay applicable legal wages under humane conditions.

**Women's rights.** Third Parties should ensure women workers receive equal treatment in all aspects of employment.

**Work Authorization.** Third Parties should not knowingly employ individuals who are not authorized to work, as determined by governing laws.

**Armed Conflicts.** Third Parties should take reasonable steps to assure the material used in the production and services they offer PayPal do not originate from sources that directly or indirectly benefit armed groups that perpetrate human rights abuses.

## Environmental Responsibilities

PayPal is committed to environmental responsibilities. PayPal seeks to reduce our environmental impact through our actions and expects Third Parties to share these ideas and goals. PayPal strongly encourages Third Parties to adopt the following strategic priorities:

**Environmental Permits and Reporting.** All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and their operational and reporting requirements are to be followed.

**Pollution Prevention and Resource Reduction.** Greenhouse gas emissions, energy, input materials and waste of all types are to be reduced or eliminated at the source by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, use of renewable resources, recycling and re-using materials.

**Hazardous Substances.** Chemicals and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

**Wastewater and Solid Waste.** Wastewater and solid waste generated from operations, industrial processes and sanitation facilities are to be characterized, monitored, controlled and treated as required prior to discharge or disposal.

**Air Emissions.** Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be characterized, monitored, controlled and treated as required prior to discharge.

**Reporting.** PayPal may send periodic data requests which will support PayPal's environmental reporting needs, and ask for Third Parties' cooperation in our endeavor to improve our environmental reporting and performance.

## Cooperation with Regulators

Third Parties will cooperate with regulatory authorities, including but not limited to inquiries, audits, reviews or investigations related to the business the Third Party is conducting with PayPal. The Third

Party must inform PayPal promptly if contacted by a regulatory authority regarding the business the Third Party is conducting with PayPal.

## Communication

**External Communication.** Third Parties will not knowingly or negligently publish false or otherwise inaccurate information either via press release, product or service advertisements or any other means.

**Reporting Ethics Issues or other Concerns.** PayPal employee conduct is addressed by PayPal's Code of Business Conduct & Ethics, PayPal work place policies, and employment agreements. If the Third Party believes a PayPal employee's conduct or actions may be improper or unethical, the Third Party is encouraged to report the concern by emailing [speakup@paypal.com](mailto:speakup@paypal.com). Reports can also be made confidentially and anonymously to the extent permissible by applicable laws (by phone or web form) using PayPal's third-party managed Integrity Helpline at <http://paypal.ethicspoint.com>.

**Reporting Violations.** Third Parties will notify PayPal of any violations to the Code and any regulatory inquiries, audits, reviews or investigations related to the business the Third Party is conducting with PayPal. Such notice shall be provided as soon as reasonably possible upon the Third Party's knowledge of such incident. Incidents should be reported to [speakup@paypal.com](mailto:speakup@paypal.com).

## Political Activities and Lobbying

Third Parties must not make political contributions or provide gifts to any candidate for public office, elected officials, political parties or committees on behalf of or as a representative of PayPal. Third Parties must not represent their political views as those of PayPal. Third Parties must not lobby on behalf of PayPal or use PayPal resources for political activities without prior written approval.

## Antitrust and Competition Laws

Most jurisdictions have antitrust or competition regulations which prohibit anticompetitive agreements or abuse of a dominant position. This may include activities such as price fixing, bid rigging, allocation agreements, group boycotts, the unlawful exchange of competitively sensitive information, and certain types of predatory or exclusionary conduct. Third Parties are required to be aware of and comply with these antitrust and competition regulations in the regions where the Third Party conducts business with or on behalf of PayPal.

Third Parties must refuse to participate in any potentially anticompetitive behavior or inappropriate discussions with competitors such as those relating to pricing, bids, boycotts or bidding strategies and immediately report any such activity related to PayPal Integrity Helpline at <http://paypal.ethicspoint.com>.

## Insider Trading

Insider trading, which involves buying, selling or trading PayPal or another company's securities when in possession of material, non-public information about PayPal or another company, is strictly prohibited. This includes providing material, non-public information to others, so that they can trade in securities, either for themselves or on your behalf. Material, non-public information is information that is not publicly available and that a reasonable investor would consider to be important in making a decision to buy, sell or trade the security.

## Retaliation

PayPal strictly prohibits intimidation or retaliation against anyone who makes a good faith report about a known or suspected violation of the Code, supporting policies, and/or any law or regulation.

## **Post-Employment**

Post-employment restrictions may apply to PayPal employees who participated in the procurement process, if such persons had prior professional dealings with Third Parties. The terms of a particular Third Party agreement may contain restrictions on solicitation of employees of the Third Party for a particular period of time following separation from service.

## **Risk Management**

Third Parties are expected to implement mechanisms to identify, determine and manage risks in all areas addressed by the Code and with respect to all applicable legal requirements.

## **Confidential and Proprietary Information**

Third Parties shall properly handle sensitive information, including confidential, proprietary, and personal information by adhering to all applicable laws, rules and regulations, including data protection laws. Information should not be used for any purpose (e.g. advertisement, publicity, and the like) other than the business purpose for which it was provided, unless there is prior authorization from PayPal.

## **Protection of Assets and Intellectual Properties**

Third Parties must protect and responsibly use the physical assets of PayPal, including tangible property, supplies, consumables, and equipment, when authorized by PayPal to use such assets.

Third Parties must comply with all the applicable laws governing intellectual property rights assertions, including protection against disclosure, patents, copyrights, and trademarks.