Putting Policies Into Practice

Compliance Week

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Then...

- We previously met with compliance leaders to discuss common issues with developing, approving, and disseminating company-wide policies.

- Common issues were:

  - Term "policy" being applied to documents that are really standards, procedures, guidance, memos, etc.

  - Management unclear as to authority of "policy" (if its official)

  - Slow time to market due to lack of alignment in content and lack of approving authority

  - Rogue policies (policies that are not approved Dell policies or policies modified after formal approved)

  - Difficult to find (lack of single repository)

  - Employee confusion (due to conflicting policies)

Confidential

Building roads & bridges

- Acknowledged need for corporate compliance policy management

- Corporate Compliance Policy Standard ("Standard")

- Created by Ethics & Compliance Office with direction and input from Legal, Human Resources, Corporate Audit and others

- Defines the essential elements and prerequisites of an official Dell Compliance Policy

- Provides for the following:

  – Introduction to Dell's compliance domains

  – Definitions section for common taxonomy

  – Policy template for consistency

  – Checklist to guide development process

Now...

- Standard Corporate Policy Development & Approval Process

  – Common taxonomy & framework

  – Leverage existing "policy on policies" framework

  – Standard process for approvals

  – Standard format (i.e., same look and feel)

  – Use of central online policy repository

- Process Check & Acknowledgement

- Global Compliance Forum Review

DELL

Corporate Policy Standard

The purpose of this Corporate Policy Standard ("Standard") is to provide a uniform approach for the creation and approval of Dell's corporate policies. This Standard is comprised of four sections as follows: Policy Lifecycle, Definitions, Corporate Policy Template ("Template", and Corporate Policy Checklist ("Checklist").

I: Policy Lifecycle
The policy lifecycle is comprised of development, governance, implementation, and maintenance.

A. **Development**: This phase is led by the business or compliance policy lead ("Policy Lead") and consists of the following steps:
1. Identify the need for a new policy, update to an existing policy, or need for decommission of outdated policies that are no longer necessary for business or legal reasons.
2. Compile a business case that addresses the following: relevance and description of specific risk(s) and how policy (and its implementation) will mitigate the risk(s), proposed business or compliance Executive Policy Owner, primary stakeholders, and implementation plan (including accountability model, communication and education, compliance monitoring, and consequence management plan).
3. Present business case to Executive Policy Owner and obtain support for development of the proposed policy and implementation plan.
4. Compile working team and draft policy in accordance with this Standard, Template & Checklist.
5. Vet draft policy with all primary stakeholders (e.g., Legal, HR, Ethics & Compliance, GAT, other corporate functions, business units).
6. Executive Policy Owner reviews draft policy to ensure all requirements outlined in the Standard have been met (and any other review considerations).

B. **Governance**: The following steps occur during this phase:
1. Upon review by Executive Policy Owner (see Development above), Policy Lead completes the Checklist.
2. Policy Lead submits draft policy and Checklist to the Global Compliance Forum (which will consider whether the proposal is appropriate for a Corporate Policy and determine appropriate ELT member to sponsor).
3. ELT sponsor submits draft policy to GRCC for approval.

C. **Implementation**: The following steps occur during this phase:
1. Upon approval by GRCC (see Governance above), Policy Lead (or delegate) posts approved Corporate Policy [all policies shall be posted] and drives execution of implementation plan.
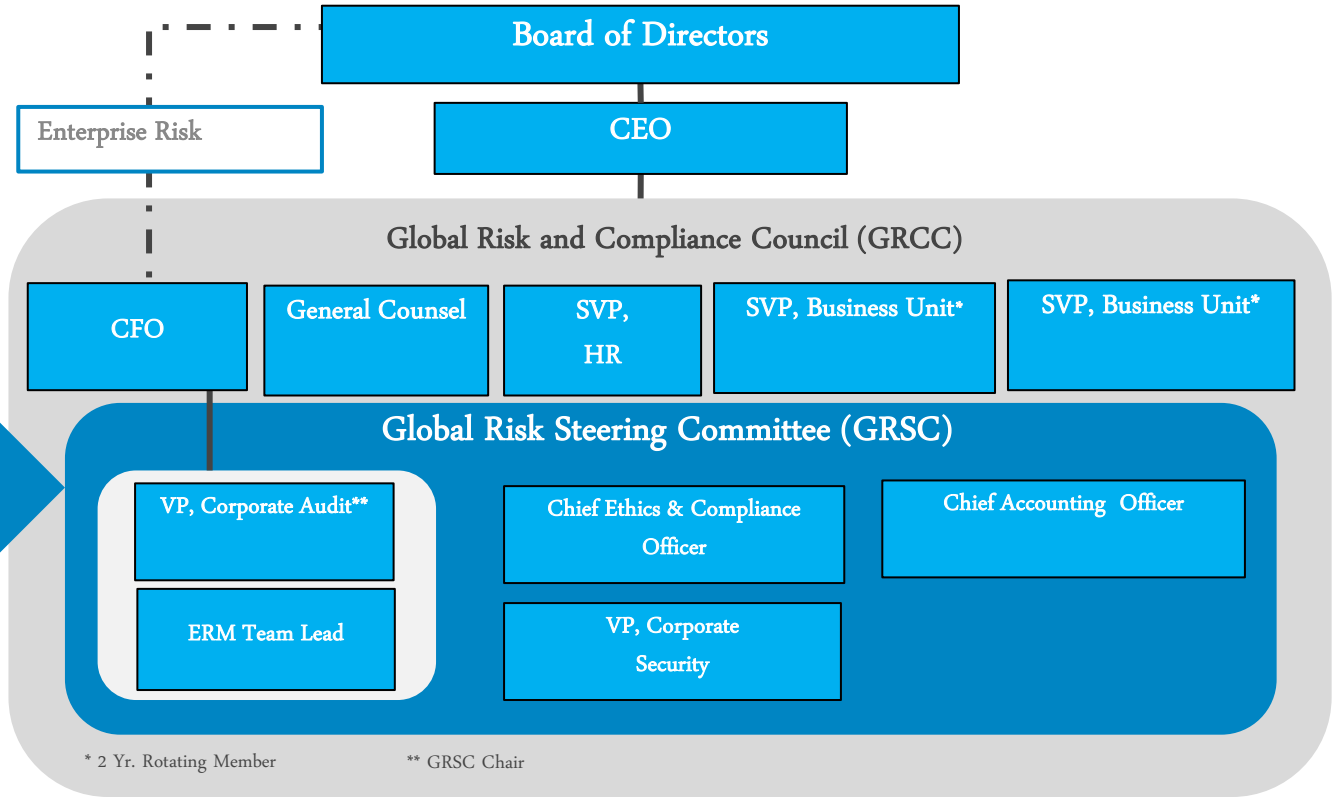
Policy Governance

Global Compliance Forum (GCF)

–

Policy Review Cmtee

- Chief Privacy Officer & Exec Dir. Global Compliance
- Regional Legal Leads
- Exec. Dir. Trade Compliance
- Exec. Director, EH&S
- Chief Information Security Officer
- Chief Compliance Counsel

Board of Directors

CEO

Enterprise Risk

Global Risk and Compliance Council (GRCC)

| CFO | General Counsel | SVP, HR | SVP, Business Unit* | SVP, Business Unit* |

Global Risk Steering Committee (GRSC)

| VP, Corporate Audit** | Chief Ethics & Compliance Officer | Chief Accounting Officer |
| ERM Team Lead | VP, Corporate Security | |

* 2 Yr. Rotating Member   ** GRSC Chair

Policy Review Committee Role

Is....

- Chaired by Chief Privacy Officer & Executive Director, Global Compliance

- Leverages Dell compliance experts

- Serves as development process check role

- Provides assurance over corporate policy development and approval

- Forum for sharing policy development standards, tools, and best practices

- Provides input to policy repository tool

- Facilitates approval of orphan policies

- Stamps policy as "Dell Corporate Compliance Policy"

- Sends policy to GRSC for approval

Is not....

- Subject Matter Experts on legal or compliance topic

- Means to approve policy content

- Strong-arm for business or legal to approve particular policy

- Forum to evaluate underlying risks or need for policy

- Meant to add level of bureaucracy or delay to policy development process

Partner. Solve. Lead.
Global Assurance & Transformation

Policy Management to Program Maturity

Policies, Procedures and Controls

The demand for effective policies, procedures and controls continues to increase rapidly. The changes must be seamlessly integrated, top to bottom, within the workforce. The diagrams below exemplify evolutions of the current state, the effect on the organization, and opportunities for improvement.

DEVELOPED BY **OCEG**

SPONSORED BY **AXENTIS**

NO GUIDANCE OR SUPPORT
(UNDER-CONTROL)

PHONE CALL

EMAIL

TOO MANY PEOPLE SENDING TOO
MANY MESSAGES IN TOO MANY WAYS

Maturity Levels

Level 1: Chaos

- Existing policies, procedures and controls state of chaos and it is unknowable whether designed or operating effectively.
- Policies and procedures are passed down through an "oral tradition" and are prone to confusion and inconsistency.
- Roles, responsibilities and accountability are not clearly defined or absent.
- A methodology to develop, implement and manage policies and procedures is absent.
- Technology to reduce the cost and complexity of management is absent.

Level 2: Ordered

- Some policies, procedures and controls are known, but their design and operating effectiveness is questionable. Documentation is limited.

- Policies and procedures are documented using inconsistent language. Terms are not clearly defined or consistently used.

- Some roles, responsibilities and accountability are understood.

- A methodology to develop, implement and manage policies and procedures is still absent.

- Technology to reduce the cost and complexity of management is applied in an ad hoc manner.

Level 3: Managed

- All key policies, procedures and controls are known, and their design and operating effectiveness is assessed. Documentation is nearly complete.

- Terms are consistently used within compliance silos. However, there are still some cross-functional inconsistencies.

- Key roles, responsibilities and accountability are understood but cross-functional duplication is commonplace.

- A methodology to develop, implement and manage policies and procedures is in place within silos.

- Technology to reduce the cost and complexity of management is in place, but is often duplicated in multiple "silos" leading to excessive costs.

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DELL

Policy Implementation Tools

Ethics & Compliance Standard:
Third Party Vetting & Red Flag Resolution

INTRODUCTION

The purpose of this Third Party Vetting & Red Flag Resolution Standard (Standard) is to expand upon Dell's existing complia

resolution of Red Flags resulting from Third Party Due Diligence (Vetting). This document supports executive managemen

Management in Dell's Global Anticorruption Policy. This document supersedes *Section 8.1. Due Diligence for Third Partie*

Manual. This standard will be evergreen; reviewed on a regular basis and updated as necessary in accordance with regul

The goal of vetting is to establish, on a risk-assessed basis, a reliable process for determining the suitability of a Third Party

includes:

a) Reputation and regulatory compliance track record of the Third Party;

b) Robustness of the compliance program managed by the Third Party relative to its own business;

c) Commitment of the senior management team of the Third Party to a robust compliance environment and

d) Any other factor indicating reduced likelihood of the Third Party in violating anti-corruption laws or regula

PROCESS & SUSTAINABILITY

In consultation with Ethics & Compliance, team members involved in the manage

requirements set forth in this document, including but not limited to, vetting of ar

variety of other defined reasons. Processes must be supported by detailed and c

procedures. Team members charged with process execution shall be properly

Red Flag	What is this?	Example	Action
Potential corrupt activity	Allegation of criminal or other improper activity actively under investigation by government authority or report by credible news source or corporate watchdog group	• Government authority currently investigating company or individual for corrupt or other improper activity • Report in local news source or international publication of alleged corrupt activity or other improper activity	Suspension & Demand Letter
Third Party Principal is a Politically Exposed Person (PEP)	A Principal of the Third Party is a current or former government official or has family or other close tie to a government official	• Company is founded or run by current or former public official • Current or former government official is shareholder, owner, CEO, or otherwise influences business control of Third Party	Suspension of Activities Related to PEP Entity; Demand Letter & Deal Monitoring

More Tools

Got a question? We can help. Check the major topics below or click here for the full list of FAQs. If you don't see your question, please contact us.

Gift

Q. Are Gifts of cash (such as red envelopes or Mid-Autumn Festival mooncake coupons) permitted?

Q. Is it okay to provide a Gift that is nominal in value (e.g., Dell-logo notebook cover worth approximately$25) to a Non-U.S. Government Official in celebration of a holiday or as token of gratitude for hospitality?

All Gift FAQs

Events, Travel, Meals and Entertainment

Q. May I invite a non-U.S. Government Official to attend events, and pay for the Officials' travel, meals and entertainment?

Q. Is it okay to provide per diem expenses to a Government Official? ("Per diem" refers to a fixed amount allotted per day for anticipated expenses, regardless of actual expenses.)

All Events, Travel, Meals and Entertainment FAQs

Seeds, Try & Buy and Deal Incentives

Q. My customer is a state agency. The agency's Chief Technology Officer has requested a Seed unit to be delivered to his personal residence for personal use. Is this ok?

Q. I'd like to motivate a customer to close a deal using a complementary free product (Deal Incentive). Is this ok?

All Seeds, Try & Buy and Deal Incentives FAQs

Sales Discounts and Concessions

Q. A reseller engaged in a pending sale to the Joint Commissioner of Police has requested purchase of Dell hardware at the "maximum preferred Discount." Is this ok?

Q. My customer is a municipal government body and has requested Dell to provide CSR

Charitable Donations, Sponsorships and Political Contributions

Q. I work in sales and have been asked by a government customer to donate new Dell computers to the state for use in a state-run agency. Is this okay?

Facilitation Payments

Q. Is a fee to an Immigration Agency for the purpose of obtaining Dell work permits (in accordance with local law) considered a Facilitation Payment?

Q. Is it ok to provide a payment to a Customs Official for the purpose of "expediting"

FAQ Tool — operationalizing expectations

Try it / Buy it
Product evaluation programs
Send products to your customers at no cost for evaluation.

At the end of the term customers must return or purchase product.

Return it
Demo product (Not for sale)
Send products to your customers at no cost for evaluation.

At the end of the term unit must be returned.

Programs include: media, pre-production and demos.

Keep it
Free product (Not for sale/return)
Send products or services to your customers at no cost and no expectation of return or purchase.

Programs include Seeds, Deal incentives, concessions, Jumpstart Funds and Contractual Samples.

Resources
Non-product requests
Request resources such as: customer and marketing event funding, marketing materials, door openers and technical engineering support.

TRACE

TRACE Tool — globally consistent partner vetting

Real Business Impact — SPIKE Benefits

Single compliant tool (SPIKE)

45 processes simplified to 6

Alignment of global accounting policies

Recovery delivered

$18.8M

Try & Buy program

220% ROI

100% ROI

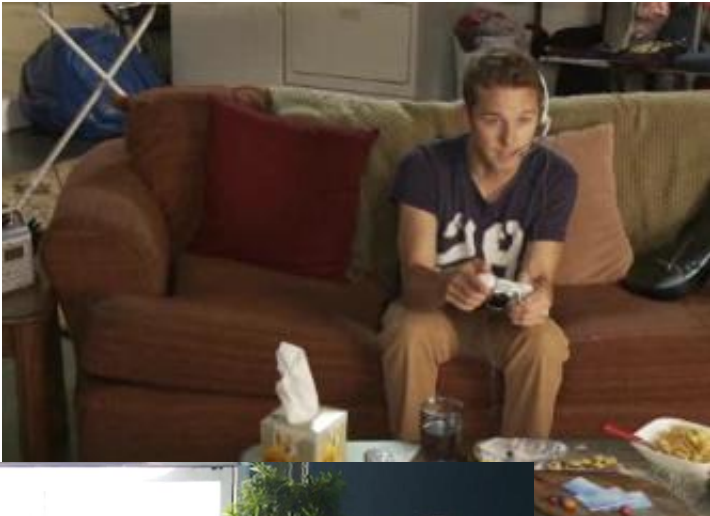**Seed program investment**

156% ROI

100% ROI

Rooting Policy in Ethical Principles - leveraging right behaviors

- Honesty

- Trust

- Respect

- Courage

- Judgment

- Responsibility

Building Awareness –
Creatively

Better Decision-Making

Turning Values Into Action workshop
(3 videos, live engagement, collaboration site)

Fostering Principled Leadership

Essential Elements for Results

They believe

They know

Zero tolerance

Thank You