

# VMware Partner Code of Conduct

Effective as of July 1, 2016

## I. APPLICABILITY & GENERAL SCOPE

This Partner Code of Conduct (“Code”) sets out the expectations of VMware Inc., VMware International Ltd., and each of their subsidiaries (“VMware”) as to how all VMware partners, including their employees, independent contractors, and agents (“Partner” or “You”) will conduct themselves in a legal and ethical manner. VMware expects Partners to comply not only with all applicable laws, but also with this Code and the VMware policies identified herein. Similarly, VMware expects You to avoid engaging in any activity that involves even the appearance of impropriety. Failure to comply with applicable laws or the Code could subject You to severe civil and/or criminal penalties, along with expulsion from the VMware Partner Network (“VPN”).

## II. IMPLEMENTATION OF CODE

You must have a written company code of business conduct that, at a minimum, requires adherence with all applicable laws. Your code must be publicly available and binding on your employees and agents. Your suppliers and downstream partners should also be encouraged to comply with the substance of your code of conduct. With regard to anti-bribery or Foreign Corrupt Practices Act (FCPA) provisions, compliance should be required of downstream partners. In addition, You should conduct periodic training in order to ensure that your employees and agents are informed regarding your code of conduct.

## III. COMPLIANCE WITH LAWS, REGULATIONS, & BUSINESS CONDUCT PRACTICES

VMware expects You to be knowledgeable about all of the laws and those VMware policies that are referenced herein. Some of the more important laws and policies are summarized below.

### A) Anti-Corruption Laws:

VMware expects its Partners to uphold the highest standards of integrity in all business interactions. VMware has a zero tolerance policy prohibiting any and all forms of bribery, corruption, extortion, kickbacks and embezzlements. Anti-bribery laws, such as the U.S. FCPA, the United Kingdom Bribery Act, and other country-specific laws, make it unlawful to bribe any person for the purpose of obtaining or retaining business or obtaining an unfair advantage in any business dealing or transaction. You must comply with these laws.

Neither You nor any of your agents or employees may offer, pay, promise or authorize any direct or indirect payments or provide anything of value (including, but not limited to, gratuities, gifts, favors, entertainment, loans) to any person, including a government official or employee, for the purpose of obtaining business.

The definition of government official or employee for the purpose of the FCPA includes:

- any person holding an executive, legislative, judicial or administrative office, whether elected or appointed;
- any official or employee of any public international organization, such as the United Nations or World Bank;
- any person acting in any official capacity for or on behalf of a government office, public enterprise or state-owned business;
- any political party or party official, any political candidate or any person or entity whom You know, or have reason to believe, will give part of the payments to any of the previously mentioned categories of people; and
- any employee of a business in which the government asserts any management control over or has an ownership stake (e.g. more than 50%) in the enterprise. Control may be demonstrated by having the ability to hire employees or by appointing Board members and key executives.

Additional information regarding the FCPA rules and regulations is set forth at the U.S. Department of Justice’s website at

<http://www.usdoj.gov/criminal/fraud/fcpa/>.

### B) Gifts and Courtesies:

Gift giving is proper only if reasonable, non-excessive, and done as part of a valid and approved program or promotion when related to VMware products and services. You shall not seek special favors, such as favorable treatment in connection with a deal, by offering or providing lavish gifts, kickbacks or things of value which are out of proportion given the situation at hand.

It is appropriate to invite customers to education or training seminars sponsored by VMware, subject to VMware approval; however, it is inappropriate to offer lavish accommodations and/or sightseeing trips to customers attending such training. As always, consider the frequency and timing of any such gift to prevent any perceived impropriety. You must ensure that expenditures on customers and on VMware personnel or representatives are reasonable and in the ordinary and proper course of business. A general guideline for evaluating whether a gift or other business courtesy is appropriate is whether public disclosure would be embarrassing to You, to VMware, or to the recipient.

You must not exceed local gift giving customs and practices, nor violate related laws that may vary in different countries. Regardless of local practice, any payment or gift to a *person acting in an official capacity and/or on behalf of the government*, where designed to influence that individual's acts or decisions, is improper.

### **C) Antitrust and Competition Laws:**

VMware is committed to observing rigorously the applicable antitrust or competition laws of all countries and expects the same from You. Although these laws vary from country to country, they generally prohibit agreements or actions that reduce competition without benefiting consumers. Violations of antitrust or competition laws may result in severe penalties, including large fines and jail terms.

You must not agree with any competitors to fix, adjust, or control prices; structure or orchestrate bids to direct a contract to a certain competitor or reseller (bid rigging); boycott suppliers or customers; divide or allocate markets or customers; or limit the production or sale of products or product lines. In addition, You must refrain from discussions, sales tactics, or other arrangements with customers, suppliers, or competitors that unfairly restrain competition. When in doubt, You should always consult with qualified and competent competition counsel.

### **D) International Trade Laws; Compliance with Export Regulations:**

Partners must comply with applicable government economic sanctions and trade embargoes when acting in the context of any transaction related to VMware products and/or services. You must not participate in any economic boycott not sanctioned by the United States Government.

United States export control laws govern all exports, re-export, and use of U.S.-origin products, services, and technical data, wherever located. VMware requires that You comply fully with all U.S. and applicable foreign and multilateral export laws. This means You may not export, re-export or transship VMware products, services or technical data (1) to any destinations subject to U.S. embargoes or trade sanctions; (2) to any entity or individual specified on U.S. government-maintained exclusion lists, or (3) for use directly or indirectly in the design, development, or fabrication of nuclear, chemical, or biological weapons or missile technology. Additional information regarding economic sanctions and trade embargoes can be found at the U.S. Treasury – OFAC website, [www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx](http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx).

### **E) Environmental Laws:**

Partners must conduct their operations in ways that are environmentally responsible and in compliance with all applicable environmental laws, regulations, and standards.

### **F) Human Rights, Labor Laws, and Fair Labor Practices:**

Partners must comply, and require each of their suppliers to comply, with all health and safety regulations, laws upholding the rights of persons with disabilities, domestic and international labor laws, and fair labor practices. Partners must observe and comply with international principles relating to human rights, including but not limited to the Trafficking Victims Protection Act and the UK Modern Slavery Act of 2015. Violations of local minimum wage and maximum working hour requirements are unacceptable, as are forced labor scenarios and labor contracts that impose unreasonable legal or practical limitations on the workers' ability to leave their employment. Child labor is not to be used. The term "child" refers to any person employed under (a) the minimum age for employment under the applicable law, (b) the age for completing compulsory education, or (c) the age of 14, whichever is greatest. The use of legitimate workplace apprenticeship programs, which comply with all laws and regulations, is supported.

Finally, Partners must never discriminate illegally based on race, color, age, gender, sexual orientation, ethnicity, religion, disability, union membership, marital status, or political affiliation.

**G) Securities and Insider Trading Laws:**

If You possess material, non-public information (also called “inside information”), You may not trade in VMware securities or the securities of another company to which the information pertains. You may not engage in any other action to take advantage of or pass on to others (i.e., “tip”) material information gained through your relationship with VMware until it has been disclosed to the general public. These restrictions also apply to spouses and family members. You should familiarize yourself with these laws and consult qualified counsel for related advice.

**H) Data Protection:**

VMware expects that its Partners will understand, track and comply with all laws and regulations relating to data protection that are relevant to their actions as a VMware Partner. With respect to any data Partner collects or receives by virtue of its Partner status, Partner shall apply the same level of data protection as set forth in VMware’s Privacy Policy located at <http://www.vmware.com/help/privacy.html>. Partner must also keep confidential any personal information received from VMware, not use such information for any purpose other than as originally intended, and implement the appropriate safeguards to ensure the protection, integrity and security of such personal information.

**IV. FINANCIAL INTEGRITY AND ACCURATE RECORD KEEPING**

You must maintain accurate and complete books and records regarding sales of VMware products and services and all related transactions, such as for benefit programs. False and misleading accounting practices, slush funds and similar financial practices are prohibited by VMware and may violate applicable laws.

You must accurately document all transactions related to your contract for VMware products or services, and your business records must be retained in accordance with record retention policies and all applicable laws and regulations. Documents must not be inappropriately altered or signed by those lacking proper authority.

To the extent that you sell goods or services to VMware, you must invoice VMware for goods and services only after they are delivered, except to the extent that the related purchase agreement expressly permits advance invoicing. If the purchase agreement permits invoicing or payment in advance of delivery, such items will be clearly identified in the invoice line item description using

such terms as “deposit,” “prepayment,” or “advance billing.” You may not act as a “pass through” party where the only “service” provided by the Supplier is to be an intermediary between VMware and a third party. All requests for non-standard discounts must be accurate and for legitimate business purposes. Margins derived from misleading and/or unjustified non-standard discounts are inappropriate, and may not be used to pay or otherwise reward a customer, employee, or other third party. Placing an order with VMware without the existence of a corresponding end user agreement (also known as “pre-loading” or “channel stuffing”) is not an acceptable VMware business practice and is prohibited.

**V. FAIR MARKETING/SALES PRACTICES; COMPLIANCE WITH CONTRACTUAL OBLIGATIONS****A) Marketing and Sales Practices:**

Partners must not engage in any misleading or deceptive practices. All advertising, marketing, or promotional activities that reference or implicate VMware, its logo, or products and services in any manner, must comply with all laws, rules, and regulations, as well as all related VMware policies, and must be truthful and accurate. Advertising must clearly disclose the material terms and limitations of advertised offers and any pass-through terms if mandated by VMware.

Partners should not misrepresent products, services, and prices, or make unfair, misleading, inaccurate, exaggerated or false claims about, or comparisons with, competitor offerings.

**B) Conflicts of Interest:**

The term “conflict of interest” describes any circumstance that could cast doubt on your ability to act with total objectivity with regard to the distribution of VMware products and services. VMware wants its Partners’ loyalty to be free from any conflicts of interest. If You believe that You have an actual or potential conflict with VMware or any of its employees, then You must report all pertinent details to VMware. You must not ask or encourage VMware employees to violate VMware’s Business Conduct Guidelines.

**C) Compliance with Contractual Obligations:**

Partners must comply with their obligations under all agreements in place with VMware and others. Partners should consult with their VMware Partner manager if

they have specific questions about the various provisions in their agreements with VMware.

#### **D) Intellectual Property Laws; Confidentiality:**

Partners must not infringe on VMware's copyrights, trademarks and other intellectual property rights. Partners are also prohibited from infringing on the intellectual property rights of third parties in any manner. You must not use VMware's patented technology or reproduce copyrighted software, documentation, or other materials without appropriate written permission. You must safeguard confidential information by not transferring, publishing, using, or disclosing it except as in accordance with applicable regulations, contractual requirements, or this Code. Confidential or personal information or information that is protected by privacy standards should be safeguarded, shared internally only with those employees with a need to know, and not misused or disclosed to unauthorized third parties.

#### **E) Government Sector Sales Rules:**

Partners must become familiar with, track, understand, and comply with all laws and regulations relating to sales to government entities and government sector customers that are relevant to their Partner status. Partners shall strictly observe the laws, rules, and regulations that govern the acquisition of products and services by any governmental entity of any country and the performance of government contracts.

## **VI. COMPLIANCE; ENFORCEMENT & REPORTING**

#### **A) Business Controls:**

Partners must maintain effective policies, documentation and business controls that are capable of preventing and detecting unlawful conduct by their employees, agents and business partners. Partners shall ensure that their business controls contain the following components: (i) periodic risk assessments that lead to adjustments to existing policies and practices, when necessary; (ii) a written code of conduct that expressly confirms Partners' commitment to, and states objectives for, their compliance and ethics, program (iii) a designated company representative responsible for overseeing and implementing such compliance and ethics program; and (iv) clearly communicated mechanisms for employees to

report misconduct or seek guidance without fear of retaliation.

In addition, all Partners must complete all Partner due diligence screenings mandated by VMware, including, but not limited to, certifying on at least an annual basis, so that such Partner is in compliance with anti-bribery and other applicable laws, and has completed the required partner ethics and compliance training on an ongoing basis.

Partners must provide reasonable assistance to any investigation by VMware of a violation of this Code or applicable laws, and will allow VMware reasonable access to all facilities, records and documentation concerning their compliance with this Code and laws applicable to their sale and distribution of VMware products and services.

Partners should contact their VMware Partner manager if they have any questions regarding VMware's policies or this Partner Code of Conduct. You also may report any conduct by Your employees, independent contractors and agents, and representatives that You have reason to believe constitutes an actual, apparent, or potential violation of this Code, VMware's Business Conduct Guidelines, or applicable laws relating to the sale or distribution of VMware products/services.

Reports should be made within the United States to the VMware Ethics Helpline at 1-877-310-0382 toll-free, 24 hours a day, seven days a week. For reports outside the United States, or to report anonymously, where permitted by law, You may access VMware's on-line reporting tool managed by an independent third party, EthicsPoint, at the following link: [www.etica.ethicspoint.com](http://www.etica.ethicspoint.com). Please note that certain restrictions might apply to Helpline reports in the European Union.



Your Cloud Advantage

Accelerate IT. Accelerate Your Business

PARTNER NETWORK POLICIES / PAGE 4

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