



**U.S. Department of Justice**

Criminal Division

---

*Fraud Section*

*Washington, D.C. 20530*

December 22, 2016

Eric W. Sitarchuk, Esq.  
Alison Tanchyk, Esq.  
Morgan, Lewis & Bockius LLP  
1701 Market Street  
Philadelphia, PA 19103

**Re: General Cable Corporation Criminal Investigation**

Dear Mr. Sitarchuk:

The United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section") and General Cable Corporation ("General Cable" or the "Company") pursuant to authority granted by General Cable's Board of Directors, enter into this Non-Prosecution Agreement ("Agreement").

The Fraud Section enters into this Agreement based on the individual facts and circumstances presented by this case and the Company, including:

- a) the Company received voluntary self-disclosure credit because it voluntarily and timely disclosed to the Fraud Section the conduct described in the Statement of Facts attached hereto as Attachment A (the "Statement of Facts");
- b) the Company received full credit for its cooperation with the Fraud Section's investigation, which included conducting a thorough internal investigation; making regular factual presentations and proactively providing updates to the Fraud Section; voluntarily making foreign-based employees available for interviews in the United States; producing documents, including translations, to the Fraud Section from foreign countries in ways that did not implicate foreign data privacy laws; collecting, analyzing, and organizing voluminous evidence and information for the Fraud Section; and identifying, investigating, and disclosing conduct to the Fraud Section that was outside the scope of its initial voluntary self-disclosure;
- c) by the conclusion of the investigation, the Company had provided to the Fraud Section all relevant facts known to it, including information about individuals and third parties involved in the misconduct;

d) the Company has enhanced and has committed to the Fraud Section to continue to enhance its compliance program and internal controls, including ensuring that its compliance program satisfies the minimum elements set forth in Attachment B to this Agreement (Corporate Compliance Program); the Company has engaged in extensive remedial measures, specifically by: (1) terminating the employment or accelerating the previously-planned departures and resignations of 13 employees who participated in the misconduct, (2) causing the resignation of 2 employees and accelerating the previously-planned departure of an additional employee who failed to supervise effectively others who were engaged in the misconduct described in the Statement of Facts, (3) causing the resignation of an additional employee who failed to take appropriate steps in response to identifying the misconduct; (4) terminating the business relationships with 47 third-party agents and distributors who participated in the misconduct described in the Statement of Facts; (5) hiring a Chief Compliance Officer who has an executive officer position in the Company and separate reporting lines to the CEO and Audit Committee of the Board of Directors; (6) conducting a global and enterprise-wide risk assessment and evaluation; (7) developing and implementing a risk mitigation plan for risks identified through the assessment and evaluation; (8) developing a comprehensive compliance program that integrates business functions into compliance leadership roles, is designed to deliver clear and consistent communications and expectations Company-wide through policies and procedures, and includes frequent leadership communications to all employees; (9) revamping the ethics and compliance helpline; (10) delivering tailored face-to-face compliance training, including training on the Foreign Corrupt Practices Act ("FCPA"), to the Board of Directors and senior executives, Internal Audit personnel, sales leaders, and all salaried employees; (11) adopting heightened controls on the selection and use of third parties, including building a system for third-party due diligence that assigns ownership to business personnel to shepherd prospective third parties through a comprehensive risk assessment, review, and approval process; (12) issuing, and providing training on, business amenities policies specific to certain countries; and (13) conducting on-site global compliance audits to test adherence to enhanced controls and procedures;

e) based on the Company's remediation and the state of its compliance program, and the Company's agreement to report to the Fraud Section as set forth in Attachment C to this Agreement (Corporate Compliance Reporting), the Fraud Section determined that an independent compliance monitor was unnecessary;

f) the Company has agreed to continue to cooperate with the Fraud Section in any ongoing investigation of the conduct of the Company, its subsidiaries and affiliates and their officers, directors, employees, agents, business partners, distributors, and consultants relating to violations of the FCPA;

g) the nature and seriousness of the offense conduct, including that certain high-level executives responsible for overseeing international operations and employees of the Company knowingly and willfully failed to implement adequate internal accounting controls over payments to third parties despite knowing that third parties were making illegal payments; the illegal payments occurred in at least five separate countries and over a ten-year span; and the profits to the Company exceeded \$50 million; and

h) accordingly, after considering (a) through (e) above, the Company received an aggregate discount of 50% off of the bottom of the U.S. Sentencing Guidelines fine range in connection with this Agreement.

The Company admits, accepts, and acknowledges that it is responsible under United States law for the acts of its officers, directors, employees, and agents as set forth in the Statement of Facts and incorporated by reference into this Agreement, and that the facts described in the Statement of Facts are true and accurate. The Company expressly agrees that it shall not, through present or future attorneys, officers, directors, employees, agents, or any other person authorized to speak for the Company make any public statement, in litigation or otherwise, contradicting the acceptance of responsibility by the Company set forth above or the facts described in the Statement of Facts. The Company agrees that if it or any of its direct or indirect subsidiaries or affiliates issues a press release or holds any press conference in connection with this Agreement, the Company shall first consult the Fraud Section to determine: (a) whether the text of the release or proposed statements at the press conference are true and accurate with respect to matters between the Fraud Section and the Company; and (b) whether the Fraud Section has any objection to the release.

The Company's obligations under this Agreement shall have a term of three years from the date on which the Agreement is executed (the "Term").

The Company shall cooperate fully with the Fraud Section in any and all matters relating to the conduct described in this Agreement and the Statement of Facts and other conduct related to corrupt payments, false books and records, and failure to implement adequate internal accounting controls, and circumvention of internal controls under investigation by the Fraud Section, subject to applicable law and regulations, until the later of the date upon which all investigations and prosecutions arising out of such conduct are concluded or the end of the Term. At the request of the Fraud Section, the Company shall also cooperate fully with other domestic or foreign law enforcement and regulatory authorities and agencies, as well as the Multilateral Development Banks ("MDBs"), in any investigation of the Company, its parent company or its affiliates, or any of its present or former officers, directors, employees, agents, and consultants, or any other party, in any and all matters relating to the conduct described in this Agreement and the Statement of Facts, and other conduct related to corrupt payments, false books and records, and failure to implement adequate internal accounting controls under investigation by the Fraud Section. The Company agrees that its cooperation shall include, but not be limited to, the following:

a) The Company shall, subject to applicable law and regulation, truthfully disclose all factual information not protected by a valid claim of attorney-client privilege or work-product doctrine with respect to its activities, those of its affiliates, and those of its present and former directors, officers, employees, agents, and consultants, including any credible evidence or allegations and internal or external investigations, about which the Company has any knowledge or about which the Fraud Section may inquire. This obligation of truthful disclosure includes, but is not limited to, the obligation of the Company to provide to the Fraud Section, upon request, any document, record or other tangible evidence about which the Fraud Section may inquire of the Company.

b) Upon request of the Fraud Section, the Company shall designate knowledgeable employees, agents or attorneys to provide to the Fraud Section the information and materials described above on behalf of the Company. It is further understood that the Company must at all times provide complete, truthful, and accurate information.

c) The Company shall use its best efforts to make available for interviews or testimony, as requested by the Fraud Section, present or former officers, directors, employees, agents, and consultants of the Company. This obligation includes, but is not limited to, sworn testimony before a federal grand jury or in federal trials, as well as interviews with domestic or foreign law enforcement and regulatory authorities. Cooperation shall include identification of witnesses who, to the knowledge of the Company, may have material information regarding the matters under investigation.

d) With respect to any information, testimony, documents, records or other tangible evidence provided to the Fraud Section pursuant to this Agreement, the Company consents to any and all disclosures, subject to applicable law and regulations, to other governmental authorities, including United States authorities and those of a foreign government, as well as MDBs, of such materials as the Fraud Section, in its sole discretion, shall deem appropriate.

In addition, during the Term of the Agreement, should the Company learn of any evidence or allegation of conduct that would be a possible violation of the FCPA anti-bribery or accounting provisions had the conduct occurred within the jurisdiction of the United States, the Company shall promptly report such evidence or allegation to the Fraud Section. No later than thirty (30) days after the expiration of the Term of this Agreement, the Company, by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company, will certify to the Fraud Section that the Company has met its disclosure obligations pursuant to this Agreement. Such certification will be deemed a material statement and representation by the Company to the executive branch of the United States for purposes of 18 U.S.C. § 1001.

The Company represents that it has implemented and will continue to implement a compliance and ethics program designed to prevent and detect violations of the FCPA and other applicable anticorruption laws throughout its operations, including those of its subsidiaries, affiliates, agents, and joint ventures, and those of its contractors and subcontractors whose responsibilities include interacting with foreign officials or other activities carrying a high risk of corruption, including, but not limited to, the minimum elements set forth in Attachment B (Corporate Compliance Program), which is incorporated by reference into this Agreement. In addition, the Company agrees that it will report to the Fraud Section annually during the Term of the Agreement regarding remediation and implementation of the compliance measures described in Attachment B. These reports will be prepared in accordance with Attachment C (Corporate Compliance Reporting).

The Company agrees to pay a monetary penalty in the amount of \$20,469,694.80 to the United States Treasury within ten business days of the execution of the Agreement, and to pay \$51,174,237 in disgorgement of profits plus prejudgment interest. The monetary penalty is based upon profits of \$51,174,237 as a result of the corrupt scheme, and reflects a discount of 50% off of the bottom of the U.S. Sentencing Guidelines fine range. The Fraud Section will credit the disgorgement paid by the Company to the U.S. Securities and Exchange Commission in

connection with its resolution of this matter. The Company acknowledges that no tax deduction may be sought in connection with the payment of any part of the \$20,469,694.80 penalty. The Company shall not seek or accept directly or indirectly reimbursement or indemnification from any source with regard to the penalty or disgorgement amounts that the Company pays pursuant to this Agreement or any other agreement concerning the facts set forth in the Statement of Facts entered into with an enforcement authority or regulator.

The Fraud Section agrees, except as provided herein, that it will not bring any criminal or civil case (except for criminal tax violations, as to which the Fraud Section does not make any agreement) against the Company or any of its present or former parents or subsidiaries relating to: (1) any of the conduct described in the attached Statement of Facts. The Fraud Section, however, may use any information related to the conduct described in the attached Statement of Facts against the Company: (a) in a prosecution for perjury or obstruction of justice; (b) in a prosecution for making a false statement; (c) in a prosecution or other proceeding relating to any crime of violence; or (d) in a prosecution or other proceeding relating to a violation of any provision of Title 26 of the United States Code. This Agreement does not provide any protection against prosecution for any future conduct by the Company or any of its present or former subsidiaries. In addition, this Agreement does not provide any protection against prosecution of any individuals, regardless of their affiliation with the Company.

If, during the Term of this Agreement: (a) the Company commits any felony under U.S. federal law; (b) the Company provides in connection with this Agreement deliberately false, incomplete, or misleading information; (c) the Company fails to cooperate as set forth in this Agreement; (d) the Company fails to implement a compliance program as set forth in this Agreement and Attachment C; (e) the Company commits any acts that, had they occurred within the jurisdictional reach of the Foreign Corrupt Practices Act, would be a violation of the Foreign Corrupt Practices Act; or (f) the Company otherwise fails to perform or to fulfill completely any of the Company's obligations under the Agreement, regardless of whether the Fraud Section becomes aware of such a breach after the Term of the Agreement is complete, the Company, and its subsidiaries and affiliates, shall thereafter be subject to prosecution for any federal criminal violation of which the Fraud Section has knowledge, including, but not limited to, the conduct described in the Statement of Facts, which may be pursued by the Fraud Section in the U.S. District Court for the Eastern District of Kentucky or any other venue of its choosing. Determination of whether the Company has breached the Agreement and whether to pursue prosecution of the Company shall be in the Fraud Section's sole discretion. Any such prosecution may be premised on information provided by the Company or its subsidiaries or affiliates, among other things. Any such prosecution relating to the conduct described in the Statement of Facts or relating to conduct known to the Fraud Section prior to the date on which this Agreement was signed that is not time-barred by the applicable statute of limitations on the date of the signing of this Agreement may be commenced against the Company, or its subsidiaries or affiliates, notwithstanding the expiration of the statute of limitations, between the signing of this Agreement and the expiration of the Term plus one year. Thus, by signing this Agreement, the Company agrees that the statute of limitations with respect to any such prosecution that is not time-barred on the date of the signing of this Agreement shall be tolled for the Term plus one year. In addition, the Company agrees that the statute of limitations as to any violation of U.S. federal law that occurs during the Term will be tolled from the date upon which the violation occurs until the earlier of the date upon which the Fraud Section is made aware of the violation or the duration of

the Term plus five years, and that this period shall be excluded from any calculation of time for purposes of the application of the statute of limitations.

In the event the Fraud Section determines that the Company has breached its Agreement, the Fraud Section agrees to provide the Company with written notice of such breach prior to instituting any prosecution resulting from such breach. Within thirty (30) days of receipt of such notice, the Company shall have the opportunity to respond to the Fraud Section in writing to explain the nature and circumstances of such breach, as well as the actions the Company have taken to address and remediate the situation, which explanation the Fraud Section shall consider in determining whether to pursue prosecution of the Company or its subsidiaries or affiliates.

In the event that the Fraud Section determines that the Company has breached this Agreement: (a) all statements made by or on behalf of the Company or its subsidiaries or affiliates to the Fraud Section or to the Court, including the Statement of Facts, and any testimony given by the Company before a grand jury, a court, or any tribunal, or at any legislative hearings, whether prior or subsequent to this Agreement, and any leads derived from such statements or testimony, shall be admissible in evidence in any and all criminal proceedings brought by the Fraud Section against the Company or its subsidiaries or affiliates; and (b) the Company or its subsidiaries or affiliates shall not assert any claim under the United States Constitution, Rule 11(f) of the Federal Rules of Criminal Procedure, Rule 410 of the Federal Rules of Evidence, or any other federal rule that any such statements or testimony made by or on behalf of the Company or its subsidiaries or affiliates prior or subsequent to this Agreement, or any leads derived therefrom, should be suppressed or are otherwise inadmissible. The decision whether conduct or statements of any current director, officer or employee, or any person acting on behalf of, or at the direction of, the Company or its subsidiaries or affiliates will be imputed to the Company for the purpose of determining whether the Company has violated any provision of this Agreement shall be in the sole discretion of the Fraud Section.

Except as may otherwise be agreed by the parties in connection with a particular transaction, the Company agrees that in the event that, during the Term of the Agreement, it undertakes any change in corporate form, including if it sells, merges, or transfers business operations that are material to the Company's consolidated operations, or to the operations of any subsidiaries or affiliates involved in the conduct described in the Statement of Facts, as they exist as of the date of this Agreement, whether such sale is structured as a sale, asset sale, merger, transfer, or other change in corporate form, it shall include in any contract for sale, merger, transfer, or other change in corporate form a provision binding the purchaser, or any successor in interest thereto, to the obligations described in this Agreement. The purchaser or successor in interest must also agree in writing that the Fraud Section's ability to declare a breach under this Agreement is applicable in full force to that entity. The Company agrees that the failure to include these provisions in the transaction will make any such transaction null and void. The Company shall provide notice to the Fraud Section at least thirty days prior to undertaking any such sale, merger, transfer, or other change in corporate form. If the Fraud Section notifies the Company prior to such transaction (or series of transactions) that it has determined that the transaction(s) has the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined in the sole discretion of the Fraud Section, the Company agrees that such transaction(s) will not be consummated. In addition, if at any time during the term of the Agreement the Fraud Section determines in its sole discretion that the Company has engaged in a

transaction(s) that has the effect of circumventing or frustrating the enforcement purposes of this Agreement, it may deem it a breach of this Agreement. Nothing herein shall restrict the Company from indemnifying (or otherwise holding harmless) the purchaser or successor in interest for penalties or other costs arising from any conduct that may have occurred prior to the date of the transaction, so long as such indemnification does not have the effect of circumventing or frustrating the enforcement purposes of this Agreement, as determined by the Fraud Section

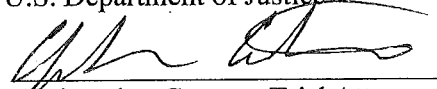
This Agreement is binding on the Company and the Fraud Section but specifically does not bind any other component of the Department of Justice, other federal agencies, or any state, local, or foreign law enforcement or regulatory agencies, or any other authorities, although the Fraud Section will bring the cooperation of the Company and its compliance with its other obligations under this Agreement to the attention of such agencies and authorities if requested to do so by the Company.

It is further understood that the Company and the Fraud Section may disclose this Agreement to the public.

This Agreement sets forth all the terms of the agreement between the Company and the Fraud Section. No amendments, modifications, or additions to this Agreement shall be valid unless they are in writing and signed by the Fraud Section, the attorneys for the Company, and a duly authorized representative of the Company.

Sincerely,

Andrew Weissmann, Chief  
Daniel Kahn, Deputy Chief  
Criminal Division, Fraud Section  
U.S. Department of Justice



Christopher Cestaro, Trial Attorney  
Lorinda Laryea, Trial Attorney

Date: 12/29/2016

**AGREED AND CONSENTED TO:**

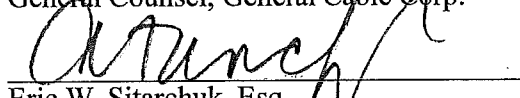
GENERAL CABLE CORPORATION

Date: 12/22/2016

Date: 12/28/2016

By: 

Emerson C. Moser, Esq.  
General Counsel, General Cable Corp.

By: 

Eric W. Sitarchuk, Esq.  
Alison Tanchyk, Esq.  
Counsel for General Cable Corp.

## ATTACHMENT A

### STATEMENT OF FACTS

The following Statement of Facts is incorporated by reference as part of the Non-Prosecution Agreement (the "Agreement") between the United States Department of Justice, Criminal Division, Fraud Section (the "Fraud Section") and the defendant General Cable Corporation ("General Cable" or the "Company"). General Cable hereby agrees and stipulates that the following information is true and accurate. General Cable admits, accepts, and acknowledges that it is responsible for the acts of its officers, directors, employees, and agents as set forth below.

#### **Relevant General Cable Entities**

1. General Cable, a Delaware corporation headquartered in Kentucky, manufactured, distributed, and installed cable and wire globally. General Cable engaged in its business through various subsidiaries around the world, and General Cable maintained separate geographic divisions which oversaw operations of its subsidiaries in the carrying out of General Cable's business. General Cable's shares were publicly traded on the New York Stock Exchange and it was an "issuer" within the meaning of the Foreign Corrupt Practices Act ("FCPA"), Title 15, United States Code, Sections 78dd-1(a) and 78m(b).

2. General Cable Celcat, Energia e Telecomunicacoes, S.A. ("General Cable Celcat") was an indirect subsidiary of General Cable, headquartered in Portugal. General Cable Celcat's financial statements were consolidated into the financial statements of General Cable, and General Cable Celcat was under the responsibility of the General Cable Europe and Mediterranean division. General Cable Celcat sold cable and wire in Portugal and Angola.

3. General Cable Condel, Cabos de Energia e Telecomunicacoes SA ("General Cable Condel") was an indirect subsidiary of General Cable, headquartered in Angola. General Cable Condel's financial statements were consolidated into the financial statements of General Cable



through their consolidation into General Cable Celcat's financial statements, and General Cable Condel was under the responsibility of the General Cable Europe and Mediterranean division. General Cable Condel sold cable and wire in Angola.

4. General Cable (Tianjin) Alloy Products Company Limited ("General Cable China") was an indirect subsidiary of General Cable, headquartered in China. General Cable China's financial statements were consolidated into the financial statements of General Cable, and General Cable China was under the responsibility of the General Cable Asia Pacific division. General Cable China sold cable and wire in China. General Cable China was acquired by General Cable on or around December 2012.

5. Until its sale in August 2015, Phelps Dodge International (Thailand) Ltd. ("PDTL"), was an indirect subsidiary of General Cable, headquartered in Thailand. PDTL's financial statements were consolidated into the financial statements of General Cable, and PDTL was under the responsibility of the General Cable Asia Pacific division. PDTL sold cable and wire in Bangladesh, Indonesia, the Philippines, and Thailand. PDTL was acquired by General Cable on or around October 31, 2007.

6. "Executive A," an individual whose identity is known to the Fraud Section and to General Cable, was an officer at PDTL from 2010 to 2012, and beginning in December 2012 was a high-level executive at General Cable based in Thailand.

#### **Overview of the Schemes**

7. General Cable, acting through certain executives and employees, including Executive A, knew that certain of its foreign subsidiaries used certain third-party agents and distributors to make corrupt payments to foreign officials in order to obtain and retain business in certain countries.

8. Nonetheless, General Cable knowingly and willfully failed to implement and maintain an adequate system of internal accounting controls designed to detect and prevent corruption or otherwise illegal payments by its agents. In particular and as relevant here, General Cable had deficient internal accounting controls that did not require and/or ensure, among other things (a) due diligence for the retention of third party agents and distributors; (b) proof that services had been rendered by third parties before payment could be made to them; (c) oversight of the payment process to ensure that payments were made pursuant to contractual terms or that payments were reasonable and legitimate. General Cable knowingly and willfully failed to address these known weaknesses, in relevant part, to allow the conduct to continue.

9. As a result, General Cable and its subsidiaries made more than \$13 million in payments to third-party agents and distributors which were used to make unlawful payments to secure approximately \$51 million in profits to General Cable.

#### **Angola**

10. General Cable conducted business in Angola through General Cable Celcat and General Cable Condel. The majority of the company's sales in Angola were made to state-owned customers, including Angolan State-Owned Enterprise 1, Angolan State-Owned Enterprise 2, and Angolan State-Owned Enterprise 3.

11. Between 2003 and 2013, General Cable Celcat and General Cable Condel made corrupt payments, i.e. bribes, to employees of Angolan State-Owned Enterprise 1, Angolan State-Owned Enterprise 2, and Angolan State-Owned Enterprise 3, and other state-owned customers to obtain and retain business in Angola. Specifically: (i) between 2003 and 2009, General Cable Celcat and General Cable Condel paid more than \$450,000 directly to officials at Angolan State-Owned Enterprise 1, Angolan State-Owned Enterprise 2, and Angolan State-Owned Enterprise 3; (ii) between 2009 and 2013, General Cable Condel paid more than \$8.7 million to a sales agent in

Angola with knowledge that the sales agent would, and did, pass a portion of those payments to officials at Angolan State-Owned Enterprise 1, Angolan State-Owned Enterprise 2, and Angolan State-Owned Enterprise 3; and (iii) General Cable Condel paid more than \$150,000 to another agent with knowledge that the payments would be passed on, in part, to two officials of a state-owned customer.

12. General Cable, General Cable Celcat and General Cable Condel, acting through their employees or agents, communicated about the scheme via e-mail, among other means of communication. For example, on or about October 22, 2002, a General Cable Condel senior executive wrote an e-mail to a General Cable Celcat employee stating: "I agreed with [an Angolan State-Owned Enterprise 1 employee] on a commission of 2% on orders placed, which at this stage will be through General Cable Condel; I propose to work through objectives, on an identical basis with [Angolan State-Owned Enterprise 2]."

13. Similarly, on or about September 12, 2005, a General Cable Condel employee wrote an e-mail to a General Cable Celcat employee stating: "Everyone knew that [an Angolan State-Owned Enterprise 2 official] was being paid (if not there would be no need for the bills that come from there); when the contract was signed, this was what was agreed had to be paid."

14. Beginning in or around May 2009, General Cable Celcat and General Cable Condel concealed the payments to the Angolan officials through the use of a third-party sales agent. General Cable Condel contracted with the sales agent to provide commercial assistance services in Angola, but General Cable Celcat and General Cable Condel in fact used the sales agent as an intermediary to funnel corrupt payments to Angolan officials.

15. On or about December 19, 2012, General Cable executives received an internal audit report from General Cable's internal audit department. The audit report summarized the findings of the audit, which included, among other things, identifying that: (i) payments made to

the third-party sales agent far exceeded the amounts required under the contract with the agent, and (ii) the contract with the third-party sales agent did not include anti-corruption language. In addition, the audit report recommended that General Cable establish a global policy regarding the use of agents and sales representatives. Thereafter, the Company failed to establish adequate internal accounting controls and General Cable Condel continued to make corrupt payments to the agent in excess of the contractually required amounts.

16. For example, on September 5, 2013, General Cable Condel paid the sales agent in Angola approximately \$223,433. General Cable Condel employees knew that the sales agent would give at least part of that payment to government officials in Angola, including an Angolan State-Owned Enterprise 2 official and an Angolan State-Owned Enterprise 3 director.

17. General Cable Celcat and General Cable Condel falsely recorded the payments made directly to the foreign officials as payments for third-party consulting services, and falsely recorded the payments to the sales agent as offsets against sales.

#### **Bangladesh, Indonesia, and Thailand**

18. General Cable conducted business in Bangladesh, Indonesia, and Thailand through PDTL. Between 2010 and 2014, PDTL made corrupt payments, i.e, bribes, to obtain business in Bangladesh and Indonesia. Specifically, PDTL paid: (i) more than \$2 million to two freight forwarders in Indonesia with the understanding that the freight forwarders would use the money, in part, for corrupt purposes; and (ii) \$43,700 to an agent in Bangladesh with the understanding that the agent would use the money, in part, for corrupt purposes. General Cable was aware of red flags in connection with these payments and ultimately became aware of, or at the very least were willfully blind to, certain of the corrupt payments.

19. General Cable and PDTL, acting through their employees and agents, communicated about the scheme via e-mail, among other means of communication. For example,

on or about March 11, 2010, a PDTL employee wrote an e-mail describing the services of a principal of the two freight forwarders in Indonesia, stating “[l]ike I mention it before, my agent doesn’t ask for any money upfront. He can afford to pay his way in and out of PLN [Perusahaan Listrik Negara, the Indonesia-state-owned electricity company].”

20. Similarly, on or about June 18, 2012, an employee of a Bangladeshi sales agent emailed multiple PDTL employees, including Executive A, and stated that a portion of the money that PDTL was paying the sales agent would “be shared by decision makers in customer, concerned higher ups in Ministry and some top executives at bidder.”

21. On or about May 5, 2013, Executive A approved an approximately \$43,700 payment to the Bangladeshi sales agent.

22. In addition, from 2012 to 2013, PDTL provided more than \$1.5 million in rebates to a distributor in Thailand with the understanding that the distributor would use the money, in part, for corrupt purposes in association with PDTL’s sales to state-owned customers in Thailand, including sales to: (i) the Provincial Electricity Authority, a state-owned electricity supplier in Thailand; (ii) the Metropolitan Electricity Authority, a state-owned electricity supplier in Thailand; and (iii) TOT Public Company Limited, a state-owned telecommunications company.

23. In or about 2011, Executive A met with a high-level executive at General Cable with responsibility for overseeing international operations and expressed concerns that payments to the distributor in Thailand were being used for corrupt purposes. Despite this conversation, the corrupt payments did not stop, nor was an investigation conducted.

24. On December 13, 2011, the same high-level executive at General Cable received emails that included the following statement regarding the findings of a tax review in Thailand: “potential applicability of the US Foreign Corrupt Practices Act (‘FCPA’) for commissions paid to Thai governmental authorities.” Another email from a General Cable employee with responsibility

for corporate taxes stated: “[s]ince this is a legal matter rather than tax, no need to do anything further for me. I will leave it up to you as to whether you want to look into any further.” General Cable took no further action and did not take any steps to implement adequate internal accounting controls. The corrupt payments made through intermediary companies in Thailand and elsewhere continued and General Cable failed to enhance its deficient internal controls.

25. Thus, even if senior employees of General Cable were unaware initially that the payments to the distributor were being used for illegal purposes, employees at PDDL and General Cable, including Executive A, came to the understanding that money being paid to the distributor was being used for illegal purposes, and closed their eyes to it being used for bribery.

26. Indeed, shortly after the meeting and email referenced in paragraphs 16 and 17 above, to conceal the true nature of the payments to the distributor, employees of PDDL ceased booking the payments as “success fees,” which they viewed as overly suspicious, and instead established a rebate structure on unrelated sales to the distributor that falsely reflected the nature of the payments. General Cable ultimately became aware that PDDL falsely recorded the payments to the distributor in the company’s books as “Cash Discounts” and “Discount–Customer Rebates.”

### **China**

27. General Cable conducted business in China through General Cable China, among other entities. The majority of the company’s sales in China were made to state-owned customers through distributors or with the assistance of sales agents.

28. Between in or around December 2012 and 2015, General Cable China made corrupt payments to obtain and retain business in China. Specifically, General Cable China paid more than \$500,000 to China-based agents and distributors, typically in the form of rebates, special discounts, and technical service fees. General Cable China knew that the third-party agents and distributors would use the money, in part, for corrupt purposes.

29. Executive A was the General Cable Executive that was responsible for General Cable China's business beginning in or around December 2012 until his departure from the Company.

30. General Cable China, acting through its employees and agents, communicated about the scheme via e-mail, among other means of communication. For example, on or about August 14, 2013, a General Cable China employee sought approval from a General Cable China supervisor to provide additional money to a distributor in the form of a discount in association with a sale to a China-state-owned end-customer. The General Cable China employee emailed the supervisor and justified the corrupt payment, stating that "a few key players at [the state-owned customer] are our internal contacts and charge a certain amount of fees. If we are looking to have long-term cooperation with them, charges for this is rather inevitable."

31. Similarly, on or about February 26, 2014, a General Cable China internal document outlined the reasons General Cable China provided special discounts to a distributor in association with sales to a state-owned end-customer, and stated: "[o]n July 17, 2013, processed the consulting fee of 20,000 [yuan] for [a state-owned end-customer employee] with 10,900 [yuan] remaining."

ATTACHMENT B

CORPORATE COMPLIANCE PROGRAM

In order to address any deficiencies in its internal controls, compliance codes, policies, and procedures regarding compliance with the Foreign Corrupt Practices Act (“FCPA”), 15 U.S.C. §§ 78dd-1, *et seq.*, and other applicable anticorruption laws, General Cable Corporation (“General Cable”), on behalf of itself and its subsidiaries and affiliates, agrees to continue to conduct, in a manner consistent with all of its obligations under this Agreement, appropriate reviews of its existing internal controls, policies, and procedures.

Where necessary and appropriate, General Cable agrees to adopt new or to modify existing internal controls, compliance codes, policies, and procedures in order to ensure that it maintains: (a) a system of internal accounting controls designed to ensure that General Cable makes and keeps fair and accurate books, records, and accounts; and (b) a rigorous anticorruption compliance program that includes policies and procedures designed to detect and deter violations of the FCPA and other applicable anticorruption laws. At a minimum, this should include, but not be limited to, the following elements to the extent they are not already part of General Cable’s existing internal controls, compliance codes, policies, and procedures:

*High-Level Commitment*

1. General Cable will ensure that its directors and senior management provide strong, explicit, and visible support and commitment to its corporate policies against violations of the FCPA and other applicable foreign law counterparts (collectively, the “anticorruption laws”) and its compliance code.



*Policies and Procedures*

2. General Cable will develop and promulgate a clearly articulated and visible corporate policy against violations of the anti-corruption laws, which policy shall be memorialized in a written compliance code or codes.

3. General Cable will develop and promulgate compliance policies and procedures designed to reduce the prospect of violations of the anticorruption laws and General Cable's compliance code, and General Cable will take appropriate measures to encourage and support the observance of ethics and compliance policies and procedures against violation of the anticorruption laws by personnel at all levels of General Cable. These anticorruption policies and procedures shall apply to all directors, officers, and employees and, where necessary and appropriate, outside parties acting on behalf of General Cable in a foreign jurisdiction, including but not limited to, agents and intermediaries, consultants, representatives, distributors, teaming partners, contractors and suppliers, consortia, and joint venture partners (collectively, "agents and business partners"). General Cable shall notify all employees that compliance with the policies and procedures is the duty of individuals at all levels of General Cable. Such policies and procedures shall address:

- a) hiring;
- b) gifts;
- c) hospitality, entertainment, and expenses;
- d) customer travel;
- e) political contributions;
- f) charitable donations and sponsorships;
- g) facilitation payments; and
- h) solicitation and extortion.

4. General Cable will ensure that it has a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the

maintenance of fair and accurate books, records, and accounts. This system should be designed to provide reasonable assurances that:

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

*Periodic Risk-Based Review*

5. General Cable will develop these compliance policies and procedures on the basis of a periodic risk assessment addressing the individual circumstances of General Cable, in particular the foreign bribery risks facing General Cable, including, but not limited to, its geographical organization, interactions with various types and levels of government officials, industrial sectors of operation, involvement in joint venture arrangements, importance of licenses and permits in General Cable's operations, degree of governmental oversight and inspection, and volume and importance of goods and personnel clearing through customs and immigration.

6. General Cable shall review its anticorruption compliance policies and procedures no less than annually and update them as appropriate to ensure its continued effectiveness, taking into account relevant developments in the field and evolving international and industry standards.

### *Proper Oversight and Independence*

7. General Cable will assign responsibility to one or more senior corporate executives of General Cable for the implementation and oversight of General Cable's anticorruption compliance codes, policies, and procedures. Such corporate official(s) shall have the authority to report directly to independent monitoring bodies, including internal audit, General Cable's Board of Directors, or any appropriate committee of the Board of Directors, and shall have an adequate level of autonomy from management as well as sufficient resources and authority to maintain such autonomy.

### *Training and Guidance*

8. General Cable will implement mechanisms designed to ensure that its anticorruption compliance code, policies, and procedures are effectively communicated to all directors, officers, employees, and, where necessary and appropriate, agents and business partners. These mechanisms shall include: (a) periodic training for all directors and officers, all employees in positions of leadership or trust, positions that require such training (*e.g.*, internal audit, sales, legal, compliance, finance), or positions that otherwise pose a corruption risk to General Cable, and, where necessary and appropriate, agents and business partners; and (b) corresponding certifications by all such directors, officers, employees, agents, and business partners, certifying compliance with the training requirements.

9. General Cable will maintain, or where necessary establish, an effective system for providing guidance and advice to directors, officers, employees, and, where necessary and appropriate, agents and business partners, on complying with General Cable's anticorruption compliance codes, policies, and procedures, including when they need advice on an urgent basis or in any foreign jurisdiction in which General Cable operates.

### *Internal Reporting and Investigation*

10. General Cable will maintain, or where necessary establish, an effective system for internal and, where possible, confidential reporting by, and protection of, directors, officers, employees, and, where appropriate, agents and business partners concerning violations of the anticorruption laws or General Cable's anticorruption compliance code, policies, and procedures.

11. General Cable will maintain, or where necessary establish, an effective and reliable process with sufficient resources for responding to, investigating, and documenting allegations of violations of the anticorruption laws or General Cable's anticorruption compliance code, policies, and procedures.

### *Enforcement and Discipline*

12. General Cable will implement mechanisms designed to effectively enforce its compliance codes, policies, and procedures, including appropriately incentivizing compliance and disciplining violations.

13. General Cable will institute appropriate disciplinary procedures to address, among other things, violations of the anticorruption laws and General Cable's anticorruption compliance codes, policies, and procedures by General Cable's directors, officers, and employees. Such procedures should be applied consistently and fairly, regardless of the position held by, or perceived importance of, the director, officer, or employee. General Cable shall implement procedures to ensure that where misconduct is discovered, reasonable steps are taken to remedy the harm resulting from such misconduct, and to ensure that appropriate steps are taken to prevent further similar misconduct, including assessing the internal controls, compliance codes, policies, and procedures and making modifications necessary to ensure that the overall anticorruption compliance program is effective.

### *Third-Party Relationships*

14. General Cable will institute appropriate risk-based due diligence and compliance requirements pertaining to the retention and oversight of all agents and business partners, including:

- a) properly documented due diligence pertaining to the hiring and appropriate and regular oversight of agents and business partners;
- b) informing agents, distributors, and business partners of General Cable's commitment to abiding by anticorruption laws, and of General Cable's anticorruption compliance code, policies, and procedures; and
- c) seeking a reciprocal commitment from agents and business partners.

15. Where necessary and appropriate, General Cable will include standard provisions in agreements, contracts, and renewals thereof with all agents and business partners that are reasonably calculated to prevent violations of the anticorruption laws, which may, depending upon the circumstances, include: (a) anticorruption representations and undertakings relating to compliance with the anticorruption laws; (b) rights to conduct audits of the books and records of the agent or business partner to ensure compliance with the foregoing; and (c) rights to terminate an agent or business partner as a result of any breach of the anticorruption laws, General Cable's compliance codes, policies, or procedures, or the representations and undertakings related to such matters.

### *Mergers and Acquisitions*

16. General Cable will develop and implement policies and procedures for mergers and acquisitions requiring that General Cable conduct appropriate risk-based due diligence on potential new business entities, including appropriate FCPA and anticorruption due diligence by legal, accounting, and compliance personnel.

17. General Cable will ensure that General Cable's compliance code, policies, and procedures regarding the anticorruption laws apply as quickly as is practicable to newly acquired businesses or entities merged with General Cable and will promptly:

a) train the directors, officers, employees, agents, and business partners consistent with Paragraph 8 above on the anticorruption laws and General Cable's compliance code, policies, and procedures regarding anticorruption laws; and

b) where warranted, conduct an FCPA-specific audit of all newly acquired or merged businesses as quickly as practicable.

*Monitoring and Testing*

18. General Cable will conduct periodic reviews and testing of its anticorruption compliance code, policies, and procedures designed to evaluate and improve their effectiveness in preventing and detecting violations of anticorruption laws and General Cable's anticorruption code, policies, and procedures, taking into account relevant developments in the field and evolving international and industry standards.

ATTACHMENT C

**CORPORATE COMPLIANCE REPORTING**

General Cable Corporation (the "Company") agrees that it will report to the Fraud Section periodically, at no less than twelve-month intervals during a three-year term, regarding remediation and implementation of the compliance program and internal controls, policies, and procedures described in Attachment B. During this three-year period, the Company shall: (1) conduct an initial review and submit an initial report, and (2) conduct and prepare at least two (2) follow-up reviews and reports, as described below:

a. By no later than one year from the date this Agreement is executed, the Company shall submit to the Fraud Section a written report setting forth a complete description of its remediation efforts to date, its proposals reasonably designed to improve the Company's internal controls, policies, and procedures for ensuring compliance with the FCPA and other applicable anti-corruption laws, and the proposed scope of the subsequent reviews. The report shall be transmitted to Deputy Chief - FCPA Unit, Fraud Section, Criminal Division, U.S. Department of Justice, 1400 New York Avenue, NW, Bond Building, Eleventh Floor, Washington, DC 20530. The Company may extend the time period for issuance of the report with prior written approval of the Fraud Section.

b. The Company shall undertake at least two follow-up reviews and reports, incorporating the Fraud Section's views on the Company's prior reviews and reports, to further monitor and assess whether the Company's policies and procedures are reasonably designed to detect and prevent violations of the FCPA and other applicable anti-corruption laws.

c. The first follow-up review and report shall be completed by no later than one year after the initial report is submitted to the Fraud Section. The second follow-up review

and report shall be completed and delivered to the Fraud Section no later than thirty days before the end of the Term.

d. The reports will likely include proprietary, financial, confidential, and competitive business information. Moreover, public disclosure of the reports could discourage cooperation, impede pending or potential government investigations and thus undermine the objectives of the reporting requirement. For these reasons, among others, the reports and the contents thereof are intended to remain and shall remain non-public, except as otherwise agreed to by the parties in writing, or except to the extent that the Fraud Section determines in its sole discretion that disclosure would be in furtherance of the Fraud Section's discharge of its duties and responsibilities or is otherwise required by law.

e. The Company may extend the time period for submission of any of the follow-up reports with prior written approval of the Fraud Section.