

Introduction of Practice Areas of Leezhao —Compliance, Anti-Corruption

Practices:

With the continuous improvement of laws and regulations and corporate management concepts, compliance and anti-corruption services that are focused on better serving multinational corporations have become one of the important practice areas of Leezhao. Based on China anti-unfair competition law, criminal law and other related laws and regulations, and by referring to FCPA, UK and European anti-bribery laws, we provide professional compliance system design, compliance training, investigation and handling of compliance issues, compliance hotline and other services.

Compliance and anti-corruption services provided by Leezhao mainly include:

- **Compliance system design**

According to relevant laws and hands-on experience, and based on client's business features, organization structure, etc., we assist our clients in drafting and updating internal anti-corruption rules, conduct codes, gift-giving, entertaining and other compliance policies, discount programs and business operation procedures, which ensures lawfulness and compliance, and satisfies, to the best degree, the customer's need of normal business development and internal management.

- **Compliance training**

We provide compliance training for our client's employees, including key department such as sales, supply department, as well as management and legal department, so as to instill compliance knowledge, improve compliance awareness & business operation, and control compliance risk.

- **Investigation and handling of compliance issues**

In handling complex compliance cases, we will cooperate with legal, compliance, internal audit, and maintain communication with government authorities, vendors, agents and industry associations, as well as internal or external whistle-blowers, to investigate, collect and fix evidence, draft investigation report, provide solutions from the perspective of Chinese law, assist clients to improve and implement solutions, so as to eliminate, to the best degree, adverse effects on the company caused by the incompliance.

- Compliance hotline

We will set up special compliance hotline (including telephone and e-mail) for clients,. Every phone call will be answered by professional lawyers, and all complaints will be fed back to clients with proposed solutions .

Achievements (Typical cases):

Leezhao’s achievements in compliance and anti-corruption

In recent years, under the engagement of the clients, typical cases dealt by Leezhao in the area of compliance and anti-corruption mainly include:

Services	Typical cases
Compliance system design	<ul style="list-style-type: none"> ▪ Entrusted by chemical company (Global fortune 500), based on its global anti-bribery policies, we formulated anti-bribery rules and regulations in China, by taking into consideration the local business situation in China, including anti-bribery principles, standards, internal audit system, prevention system and punishment system. ▪ Entrusted by a famous Japanese bank, we formulated compliance rules for entertainment and gift-giving in order to reduce financial corruption risks. ▪ Entrusted by a world-famous medical devices manufacture company, we developed a series of compliance regulations, especially on preventing and controlling corruption in sales.
Compliance training	<ul style="list-style-type: none"> ▪ Leezhao provided compliance training and assessment regularly or from time to time for many multinational companies, including basic theories of commercial bribery, key points of gift-giving and entertainment, corresponding finance system and internal management system.
Investigation and handling of compliance cases	<ul style="list-style-type: none"> ▪ A world-famous consumer electronics manufacture company received anonymous complaint which accused the management of one major department and some employees of commercial bribery, embezzlement, conflict of interest, and other serious violations. Leezhao was entrusted to investigate this case. Through contacting with whistle-blower and collecting and analyzing considerable documents and data, Leezhao obtained sufficient evidence and provided comprehensive, effective solution for client. After that, Leezhao assisted client to

Services	Typical cases
	<p>implementing measures of dismissal, disciplinary action, etc., and dealing with the subsequent labor disputes. Meanwhile, Leezhao provided advice and assistance in handling the aftermath internally and externally, which brought the case to a successful resolution.</p> <ul style="list-style-type: none"> ■ Several after-sales employees in a Japanese company (Global fortune 500) were accused of embezzlement, bribery and other violations. Leezhao was entrusted to investigate the case. Through checking plenty of sales and maintenance data and interviewing the internal and external personnel, Leezhao collected enough evidence to assist client in taking disciplinary measures against the employees involved and disposing relevant vendors. For employees who were suspected of committing crime, Leezhao assisted client to report to the police. ■ The management of subsidiary of a European heavy industry company (Global fortune 500) colluded with each division head to forge project data and facts, in order to deceive headquarter. Leezhao assisted the internal audit department, legal and compliance department of headquarter to obtain sufficient evidence, through investigating, collecting and analyzing project documents and data, and interviewing with relevant personnel. And Leezhao also helped client to impose disciplinary actions and provided improvement advice for strengthening internal control and other issues. ■ During an internal audit, a well-known European machinery company discovered that one of its branches may engage in commercial bribery, collusive bidding and other violations in various sales projects. Entrusted by this company, Leezhao provided independent legal opinions from the perspective of Chinese law, by checking considerable documents, interviewing key employees, and investigating market conditions.
Compliance hotline	<ul style="list-style-type: none"> ■ A number of multinational companies have established compliance hotline/email in Leezhao. All the complaint phone calls or complaint letters will be answered or received by professional lawyers, which will be verified and fed back to clients on time. Leezhao also provided legal opinions and operation suggestions, and assisted clients in taking measures and eliminating compliance risks.