



**Principles  
&  
Code of Conduct**

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## Introduction

The Code of Conduct covers a wide range of business practices and procedures. It does not cover every issue that may arise, but sets out basic principles for you to use along with other Edelman policies and your own best judgment. Circumstances may occur when employees are required to follow more stringent standards as imposed by local law or client contracts.

If a law or regulation conflicts with a policy in this Code, you must comply with the law. If a local custom or policy conflicts with the Code, you must comply with the Code. If you have any questions about these conflicts, consult your supervisor about how to handle the situation. *If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in [Section 16](#) of this Code.*

When faced with a potential conflict between your ethical standards and the conduct of the Company, it is your responsibility to resolve the conflict by referring to the Compliance Procedures set forth in [Section 16](#). When in doubt, contact a member of the Edelman Code of Conduct Task Force or one of the other resources listed on page 14.

All Edelman employees must conduct themselves appropriately and avoid even the appearance of improper behavior. The Code should be provided to, and followed by, agents and representatives, including consultants, vendors and freelancers who work on behalf of Edelman.

Those who violate the standards in this Code will be subject to disciplinary action up to and including termination of employment.



## **Our VISION**

A global, independent communications leader that positions and establishes relationships for our clients with their stakeholders in an increasingly connected and complex world.

## **OUR MISSION**

To provide public relations counsel and strategic communications services that enable our clients to build strong relationships and to influence attitudes and behaviors.

We undertake our mission through Convergence by integrating specialist knowledge of practices and industries, local market understanding, proprietary methodology, and breakthrough creativity.

We are dedicated to building long-term, rewarding partnerships that add value to our clients and our people.

Our clients are leaders in their fields who are initiating change and seeking new solutions.

## **OUR VALUES**

### **QUALITY**

Excellence in products, services, and people that drives long-term growth and employee satisfaction.

### **INTEGRITY**

Responsible, trustworthy partners who are respected by all of our stakeholders.

### **RESPECT**

Positive relationships with our colleagues, clients and the communities in which we do business.

### **ENTREPRENEURIAL SPIRIT**

Superior staff with the drive to take charge and make a difference for our clients.

### **MUTUAL BENEFITS**

Financial success that rewards our firm, our employees, and our clients.



## Principles

- Edelman is committed to **honesty**.
- Edelman is committed to **transparency**.
- Edelman is committed to **fair dealing**.
- Edelman will ensure **activity aligns with the interests of its employees, clients and stakeholders**.
- Edelman will strive to **model best practice** wherever we do business.
- Employees **will not violate legal obligations or prohibitions**.



## Code of Conduct

### 1- Compliance with Laws, Rules and Regulations

Obeying the law, both in letter and in spirit, is the foundation on which Edelman's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know the details of these laws, it is important to determine when to seek advice from supervisors, managers or other appropriate personnel.

We do not condone any act that violates the law, even when such action appears to be in the firm's or a client's best interest.

### 2 - Conflicts of Interest

Conflicts of interest are prohibited as a matter of Edelman policy, except under guidelines approved by the Executive Committee. A conflict of interest can exist in different forms, including when a person's private interest interferes in any way with the interests of Edelman or when a client or prospect presents a situation that the firm is unable to manage without undermining an existing commitment.

A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee, officer, or a member of his or her family, receives improper personal benefits as a result of his or her position in Edelman.

It is a conflict of interest for Edelman employees to work simultaneously for an Edelman competitor, client or supplier. While employed by the firm, they are not allowed to work for competitors as consultants or board members either. The best policy is to avoid any direct or indirect business connection with our clients, suppliers or competitors, except on our behalf. If your work on a particular client may create a conflict of interest (e.g. spouse works for competitor of the client), discuss the situation with your supervisor.

In addition to individual conflicts of interest conflicts that relate to existing or prospective client work may arise. Edelman's conflict policy on such matters is as follows:

- Edelman will not accept any client assignment that it cannot manage effectively.
- Edelman will be responsible to avoid conflicts of interest between clients, and as circumstances warrant will establish a way to keep all information confidential with prior explicit approval from both clients about the situation.

- Before signing a contract, general/country Managers and/or practice Leaders are responsible for consulting Edelman's proprietary client database to assess whether a potential conflict of interest exists.
- When client conflicts are identified, general/country managers and/or practice Leaders should consult their regional president about the potential use of another office or Daniel J. Edelman company, such as Zeno, to handle the assignment.
- When the client requests exclusivity, Edelman will analyze the situation and grant this on a market, category and product basis.

Only general/country managers can sign exclusivity agreements on behalf of their individual markets. Regional exclusivity can only be granted by regional presidents. As an example, U.S. exclusivity can be granted only by Pam Talbot and Richard Edelman and worldwide exclusivity only by the members of the Executive Committee after consultation with Richard Edelman. Before agreeing to regional or practice exclusivity, regional and practice presidents shall notify their peers and members of the Executive Committee.

Conflicts of interest may not always be clear-cut. If you have a question, you should consult with higher levels of management or the Office of General Counsel. Any employee or officer who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel, or consult the procedures described in [Section 16](#) of this Code.

### **3 - Insider Trading**

Employees who have access to confidential information are not permitted to use or share that information for stock trading (buying or selling) purposes or for any other purpose except the conduct of our business. All nonpublic information about Edelman and its clients should be considered confidential. To use nonpublic information for personal financial benefit, or to "tip" others who might make an investment decision on the basis of this information, is unethical and illegal and may subject you to civil and criminal penalties.

If you have any questions, please consult our office of General Counsel.

### **4 - Payment to Agencies/Consultants**

Arrangements with outside agents, consultants, contractors and other parties should be in writing utilizing a document form pre-approved by General Counsel. The document should clearly describe the results required, the commission or fees to be paid, how fees are to be paid, the length of the agreement, as well as the commitment to comply with all laws and regulations and this Code of Conduct. If an individual is contracted to provide client counsel either as a consultant or "freelancer" that person must abide by the terms of this Code of Conduct.

Any commissions or payments Edelman receives that exceed the terms of a contract or agreement should be acknowledged in writing and provided to the Office of General Counsel.

Certain clients may require specific language in contracts with third parties engaged on their behalf to provide services. It is Edelman's policy therefore to only utilize Edelman form contracts and not contracts originating with third parties. Only certain officers or managers have the corporate authority to sign contracts on behalf of Edelman. No individual should sign a third party contract, invoice, commitment or authorization unless so authorized.

## 5 - Corporate Opportunities

Employees and officers are prohibited from taking for themselves personally, or directing to any third party opportunities that are discovered through the use of corporate property, information or position without the consent of the Executive Committee. **No employee may use corporate property, information, or position for improper personal gain, and no employee may compete with the firm directly or indirectly or help any third party compete with the firm.** Employees and officers have a responsibility to Edelman to advance the firm's legitimate interests.

All results and proceeds of your work (e.g. materials, designs, information, files, ideas, concepts, products or services developed during the course of your employment) belong solely and exclusively to Edelman or the client for which your services are provided. As such, you retain no rights in and to any of your work and may not use the results of your work for any purpose other than for the benefit of Edelman or its client. You further agree to execute documents (such as copyright assignments) evidencing Edelman's or client's ownership of work.

## 6 - Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Although we are interested in information about our competitors, stealing proprietary information or possessing trade secret information that was obtained without the owner's consent, is prohibited.

Each employee should respect the rights of and deal fairly with the firm's clients, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other intentional unfair-dealing practice. It is contrary to Edelman practice and ethics to hire, commission or retain a competitor's current or former employee solely to obtain such information.

## 7 - Gifts, Gratuities and Entertainment

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage. No gift or entertainment should ever be offered, given, provided or accepted by any Firm employee, family member of an employee or agent unless it: (1) is not a cash gift; (2) is consistent with customary business practices; (3) is not excessive in value; (4) cannot be construed as a bribe or payoff; and (5) does not violate any laws or regulations.

Gifts of a nominal value may be accepted or given on an infrequent or occasional basis, such as during the holiday season, as a reasonable business courtesy.

Routine business-related entertainment, such as a business lunch or dinner, sports outings or cultural events, is acceptable under this policy. However this does not include covering expenses associated with travel, for example it is inappropriate to cover travel expenses such as cab fare for journalists.

Gifts, gratuities and entertainment that our employees are prohibited from accepting must not be offered to employees or agents of Edelman.

Please discuss with your supervisor any gifts that you are not certain are appropriate.

## **8 - Discrimination and Harassment**

The diversity of the firm's staff is a corporate objective. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Edelman's policy strictly prohibits sexual harassment, retaliation, and harassment because of race, color, national origin, sex, religion, creed, age, disability, sexual orientation, marital status, military service or any other basis protected by federal, state or local laws.

Please refer to the Harassment/Sexual Harassment Policy or contact your Human Resource representative.

All such harassment is unacceptable and violates Edelman policy. If you are found to have committed discriminatory harassment, retaliation, or serious related behaviors, you may be disciplined up to and including discharge.

## **9 - Health and Safety**

The firm strives to provide each employee with a safe and healthful work environment. Each employee must be part of the maintenance of a safe and healthy workplace by following safety and health rules and practices as well as reporting accidents, injuries and unsafe equipment, practices or conditions. Report any risk or hazard to your manager or the office manager immediately.

Employees should report to work in condition to perform their duties, free from the influence of alcohol or illegal drugs. The use of illegal drugs in the workplace will not be tolerated.

At times, alcohol may be available at firm-sponsored functions and business-related activities. In such situations, use discretion and act responsibly to ensure your safety and the safety of others.

Edelman prohibits the use of any equipment in a way that may cause distraction and/or result in injury or damage. While conducting business activity employees are expected to comply with this policy and further respect all laws governing these practices.

Distractions may include, but are not limited to: heads-up displays, television, two-way pagers, cell phones, laptop computers, personal digital assistants (PDA) and other items that may compromise one's ability to operate in a responsible and safe manner.

Violence and threatening behavior are not permitted.

## **10 - Billing, Record-Keeping & Document Retention**

Edelman requires honest and accurate recording and reporting of information so that it can make responsible business decisions.

10-A Billing: Edelman requires that all hours spent working be recorded. Only actual hours worked should be recorded. It is now policy that DGMs or GMs must sign off all timesheets before they are processed. Timesheets should be filled out daily. In circumstances where this is not feasible, timesheets should be filled out weekly.

Many employees regularly submit business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your

supervisor or your controller. Rules and guidelines are available from the Finance Department. All of Edelman books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the firm's transactions and must conform both to applicable legal requirements and to the firm's system of internal controls.

10-B Projects and activities must be accurate when they are entered into the system. As multiple people are working on projects with limited budgets all time should be collected for the project, and subsequently entered into the system. Billing transfers among projects and activities should only be made to correct occasional inaccuracies.

10-C Substitution of a different employee title with a different billing rate than agreed to in a client contract may be made only with written approval of the client or as determined at the start of an engagement.

10-D Record Keeping: Avoid exaggeration, derogatory remarks, guesswork or inappropriate characterizations of people and companies. This applies equally to e-mail, internal memos and formal reports. Records should always be retained or destroyed according to the firm's record-retention policies and as required by the client. In accordance with those policies, in the event of litigation or governmental investigation, please consult the Office of General Counsel.

10-E Edelman's document retention policy appears in Appendix II.

## **11 – Confidentiality**

Consistent with the nondisclosure agreement signed by each individual prior to commencing employment, employees must maintain the confidentiality and security of confidential or otherwise qualified information entrusted to them by the firm or its clients, except when disclosure is authorized by General Counsel or required by laws or regulations. Confidential information includes, without limitation, all nonpublic information that might be of use to competitors, or harmful to the firm or its clients, if disclosed. It also includes information that suppliers and clients have entrusted to us.

If Edelman is involved in litigation, or other dispute-resolution proceedings, employees shall not communicate with the media or the firm's adversaries without the express approval of the Office of General Counsel.

The obligation to preserve confidential Edelman or client information continues even after employment ends. The Executive Committee authorizes only the Chairman, the CEO and others expressly selected to disclose such information. No other employee is authorized to make public disclosures without written authorization from the Chairman or CEO.

In handling material between Edelman and clients, you must use reasonable efforts to keep confidential all such information and materials and limit access to such information and materials to those with a need to know for purposes of fulfilling contract terms. The obligations associated with the handling of confidential information and material shall survive expiration or termination of a contract for a period of one year or longer as determined by any specific client agreement.

## **12 - Protection and Proper Use of Company Assets**

All employees should endeavor to protect the firm's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the firm's profitability. Any suspected incident of

fraud or theft should be immediately reported for investigation. Firm equipment should not be used for non-company business, though incidental personal use may be permitted.

The obligation of employees to protect the firm's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights; business, marketing and service plans; designs; databases (including our proprietary new business database); client reviews; records; salary and personnel information and any unpublished financial data and reports; and other non-public information about Edelman.

Unauthorized use or distribution of this information would violate Edelman policy. It could also be illegal and result in civil or even criminal penalties.

### **13 - Payments to Government Personnel**

In addition to complying with laws and regulations in general, all employees should comply with all applicable laws prohibiting payments to government personnel. As an example, the U.S. Foreign Corrupt Practices Act, prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country.

Employees in all Edelman offices shall abide by the Organization for Economic Co-operation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions: ([http://www.oecd.org/document/21/0,2340,en\\_2649\\_34859\\_2017813\\_1\\_1\\_1\\_1.00.html#text](http://www.oecd.org/document/21/0,2340,en_2649_34859_2017813_1_1_1_1.00.html#text))

In addition, the U.S. government has a number of laws and regulations about business gratuities that U.S. government personnel can accept. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would violate not only firm policy but also could be a criminal offense. State and local governments, as well as foreign governments, may have similar rules. The office of General Counsel can provide guidance to you in this area.

### **14 - Waivers of the Code of Conduct**

Any waiver of this Code for employees may be made only by the Executive Committee and will be promptly disclosed as required by law.

### **15 - Reporting any Illegal or Unethical Behavior**

Employees who suspect or know of violations or potential violations of this Code, including illegal or unethical business or workplace conduct are obligated to contact their supervisor, their superiors, or Listen Up, a confidential outside service we have employed (see contact information below in this section). This includes circumstances where a client or vendor asks us to behave in a manner that contradicts ethical and/or legal behavior. Failure to report wrongdoing will be considered in your job performance appraisal and may subject you to discipline, up to and including discharge.

If the individuals to whom such information is conveyed are not responsive, or if there is reason to believe that reporting to such individuals is inappropriate then the employee may contact either the Office of the General Counsel, the CEO or reach out to Listen Up. Such communications will be kept confidential to the extent feasible. The Executive Committee should be involved if external authorities need to be notified.

## Non-Retaliation

Edelman prohibits retaliation of any kind against individuals who have made good faith reports or complaints of Code violations or other illegal or unethical conduct (known or suspected).

### Listen Up – Anonymous and Confidential Independent Reporting Service

Employees are encouraged to come forward in open communication to report illegal or unethical behavior, taking comfort in our strict non-retaliation policy. However, should an employee prefer complete anonymity and confidentiality, reports may be safely submitted by toll-free phone, secure web form or post office box as follows:

<b>Listen Up Confidential Communication Options</b>	
Toll-Free Phone – US & Canada	866-398-0010
Toll-Free Phone – Outside US & Canada (follow local process to call the US)	314-628-2908
Secure Web Submission Form	<a href="http://www.listenupreports.com">www.listenupreports.com</a>
Post Office Box Address	Listen Up Group  P.O. Box 274, Highland Park, IL 60035

## 16 - Compliance Procedures

All employees must work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. And because not every situation can be anticipated, we have developed a process to help address a new question or problem.

- **Make sure you have all the facts**  
In order to reach the right solutions we must be as fully informed as possible.
- **Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?**  
This will help you focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- **Clarify your responsibility and role**  
In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem with them.
- **Discuss the problem with your supervisor**  
This is basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being included in the decision-making process. Remember that your supervisor is responsible for helping you solve problems.
- **You may report ethical violations in confidence and without fear of retaliation.**  
If your situation requires that your identity be kept secret, your anonymity will be protected.

Edelman does not permit retaliation of any kind against employees for good faith reports of ethical violations.

- **Always ask first, act later**

If you are unsure of what to do in any situation, seek guidance before you act.

**Seek Help From the Firm's Resources**

If you feel it is not appropriate to discuss an issue with your supervisor, or you are uncomfortable doing so, discuss it locally with your office manager or your human resources manager.

If that is not appropriate, call Listen Up at 314-628-2908 for employees outside Canada and the US (toll-free call may be placed using the local process to call the US) and 866-398-0010 for employees in Canada and the US. These are confidential lines managed by a professional external resource that will assess the situation with you and identify how best to proceed. If you prefer to write (identifying yourself or writing anonymously), address your concerns to: The Office of General Counsel, Edelman, 200 East Randolph Street, Chicago, Illinois. You may also send an email to [code.conduct@edelman.com](mailto:code.conduct@edelman.com); or contact any member of the Edelman Code of Conduct Task Force.

# # #

## Contacts & Resources

### Conduct Questions/Reporting

Email : [code.conduct@edelman.com](mailto:code.conduct@edelman.com)

#### Listen Up – Anonymous and Confidential Independent Reporting Service

Listen Up Confidential Communication Options	
Toll-Free Phone – US & Canada	866-398-0010
Toll-Free Phone – Outside US & Canada (follow local process to dial US to this dedicated line)	314-628-2908
Secure Web Submission Form	<a href="http://www.listenupreports.com">www.listenupreports.com</a>
Post Office Box Address	Listen Up Group  P.O. Box 274, Highland Park, IL 60035

#### Edelman Executive Committee

Daniel J. Edelman, Chairman  
Richard W. Edelman, Chief Executive Officer  
David Brain, President & CEO, Europe  
Derek Creevey, Chief of Staff  
Michael Deaver, Vice Chairman  
Kenneth Dutcher, Chief Financial Officer  
Charles Fremes, President & CEO, Canada  
Matthew J. Harrington, President, Eastern Region, U.S.  
Mitchell Markson, President, Consumer Brands  
Nancy Ruscheinski, President, Midwestern Region  
Pam Talbot, President & CEO, U.S.  
Nancy Turett, President, Global Health  
Alan VanderMolen, President, Asia-Pacific

#### Senior Executives

Shan Bhati, Office of General Counsel  
John Edelman, Managing Director – Human Resources  
Peter Petros, Office of General Counsel  
Janice Rotchstein, Chief Quality Officer

#### Edelman Code of Conduct Task Force:

Matt Harrington (Chair)	Marie Rouet
Chris Deri	Michael Seymour
Allwyn Fernandes	Laura Smith
Rob Rehg	Nancy Ruscheinski
Todd Ringler	Ferris Thompson

Industry Codes of Conduct:

- Public Relations Society of America:  
<http://www.prsa.org/About/ethics/preamble.asp?ident=eth3>
- Global Alliance for Public Relations and Communications Management:  
<http://www.globalpr.org/knowledge/ethics.asp>
- Arthur Page Society: [http://www.awpagesociety.com/about/about\\_principles.asp](http://www.awpagesociety.com/about/about_principles.asp)
- National Investor Relations Institute:  
<http://www.niri.org/about/CodeOfEthicsRegMember.cfm>
- International Public Relations Association: <http://www.ipra.org/aboutipra/aboutipra.htm>
- International Association of Business Communicators:  
<http://www.iabc.com/members/joining/code.htm>
- Word of Mouth Marketing Association: <http://www.womma.com/ethicscode.htm>

# # #

## **Appendix I**

### **Day-to-Day Situation Guide**

Many of the items discussed in our Code of Conduct represent good operating guidance for general business. However, there are additional areas unique to our role in providing communications counsel that merit closer examination and directional guidance. This situation guide has been developed to provide more industry-specific guidance and will be further developed over time.

#### Interaction with the Media

- Public disclosure and interaction with the media may occur only with the client's permission.
- Disclosure and proper representation: In engaging journalists it is expected that individuals will properly represent themselves and the client(s) and be open about their intentions.
- Gifts:
  - o Travel: We will follow local and/or industry custom while being transparent with all parties about the source of funds for a journalist's travel. Any exchange of goods between a client and journalist will not require the journalist to cover the client in a particular way.
  - o Under no circumstance will we provide compensation, in monetary or other form, for coverage.
- Engagement of a freelance writer. When hiring a freelance journalist, Edelman staff should disclose that fact to the client they represent and make it clear that the freelance writer is expected to follow the same guidelines when presenting story ideas to media outlets for potential publication.
- The engagement of freelance media relations experts and consultants hired to work with Edelman staff on behalf of client work should be in writing in accordance with Section 4 of the Code.

#### New Challenges Facing Broadcast Media Tools

Regulatory initiatives aimed at ensuring the transparency and credibility news audiences have come to expect has made the pitching of VNRs (video news releases), ANRs (audio news releases) and paid spokespeople to local TV and radio stations more challenging. We must avoid the appearance of "commercialism as news," ensure transparency and credibility.

The challenge for communications professionals is to successfully navigate this changing environment while effectively delivering our clients' messages.

Examples worth reviewing are as follows:

- News management at ABC's Good Morning America and two stations in St Louis banned from their shows spokespeople who admitted receiving payment in exchange for specific product mentions
- Syndicated commentator Armstrong Williams drew sharp criticism for alleged violations of journalistic ethics; he admitted receiving \$270,000 from the Bush Administration in exchange for repeatedly mentioning on TV and radio shows the No Child Left Behind campaign and repeatedly interviewing Education Secretary Rod Paige on the same issue.
- The BBC apologized to the Blair government after determining that a story associating government statements about Iraq and weapons of mass destruction had not been properly confirmed. Two senior BBC executives resigned.

Public relations production teams have felt a chilling effect as several TV stations have backed away completely from participation in client-sponsored VNRs and SMTs (satellite media tours). If Edelman and our clients work with stations to ensure they know the source of the sponsorship, and in turn they reveal that information to their audiences (in compliance with longstanding FCC guidelines)<sup>1</sup> there will be a better prospect that the material will be used.

The FCC has issued a reminder of its guidelines about VNRs and called for public comment so it can "be better positioned to monitor this area and ensure that broadcast licensees, cable operators and others comply with our rules." Subsequently, the RTNDA (Radio and Television News Directors Association) released a revised set of its own guidelines, clarifying certain restrictions on the use by news organizations of video and audio provided by "non-media third parties" (<http://www.rtna.org/foi/finalvnr.shtml>).

#### Summary of FCC and Revised RTNDA Guidelines

The guidelines do not state that stations should altogether avoid the use of VNRs or other client-sponsored broadcast tools, but as the following guidelines summary makes clear, stations are advised to exercise considerable caution.

- ❖ TV and radio stations "should protect the editorial integrity of the video and audio they air," using material from non-media third parties only when it is genuinely newsworthy and the stations are not able to capture the video or audio themselves, e.g., proprietary assembly line footage

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<sup>1</sup> FCC is the Federal Communications Commission. In the U.K., it is OFCOM. Other countries have local equivalent guidelines.

- ❖ Stations should clearly disclose the source of information and “label all material provided by corporate or other non-editorial sources.”

### Implications of the Guidelines and Renewed Scrutiny

The widespread attention focused on retaining the transparency and credibility of broadcast news has triggered a frenzy of public discourse, and newsrooms in particular are abuzz with debate over how to comply with government guidelines and avoid costly penalties. Stations failing to disclose who paid for a segment or otherwise identify the outside source of a video will be charged \$25,000 per violation by the FCC.

Edelman Media Services and Edelman Productions continue to produce VNRs, ANRs and SMTs that provide stations with access to information and expertise they might not be able to obtain through truthful communications about the source of the material. Edelman Media Services and Edelman Productions will continue to recommend, and broadcast media will continue to use, video and audio that are unique, newsworthy and genuinely meaningful to target audiences, i.e., material that does not compromise journalist integrity with overt branding and commercialism.

### Use of Transparent and Credible Broadcast Tools

VNRs, defined as fully produced and edited, or “ready-to-play,” TV news stories (including a “reporter” voiceover) are seldom sought and rarely used in their entirety, even in the smallest of markets. Typically, Edelman Productions and Edelman Media Services recommend producing a VNR only when a story is so complex that it warrants a full script and reporter voiceover. Edelman more frequently recommended “B-roll packages.” Well-produced B-rolls, which contain meaningful, not overly commercial footage, sound bites and background information, allow producers and reporters to easily build and edit their own stories.

Similar rules apply to radio, a medium too often ignored. ANRs and RMTs (radio media tours) continue to garner solid results, providing opportunities to deliver important client messages to broad target audiences. Just as in TV news, however, nothing turns off producers and reporters faster than overt commercial messaging. One or two subtle client or product mentions, and only as they apply to a truly newsworthy story, is the most we should try to secure. The messages will achieve maximum impact when delivered by a credible spokesperson in his or her sound bite(s), and not in the “reporter” voiceover.

Producers will frequently choose an in-studio interview over a more distant satellite feed, so we will put even greater emphasis on persuading clients, whenever possible, to identify spokespeople who can travel to target markets, as

opposed to conducting Satellite Media Tours (SMTs). We also focus on finding local spokespeople who can deliver the client's messages clearly, effectively and credibly.

We must continue to practice the media relations basics that are the hallmark of our firm:

- Collaborate with media to develop good news stories
- Find creative ways to deliver compelling messages
- Develop smart video and audio packages that include meaningful footage, sound bites and important background information
- Demonstrate an unparalleled adherence to the highest level of ethics.

If you have questions about any of the above please contact members of Edelman Media Services or Edelman Productions:

Cheryl Cook, Edelman Media Services (312) 233-1353  
Alison Sneed, Edelman Productions (312) 240-2610 (RTNDA Member)  
Jill Robins, Edelman Productions (212) 819-4840.

#### Use of Matte Releases

- Matte releases are special news releases that are structured with non-copyrighted editorial material that a print outlet may choose to use in its original form. In distributing a matte release Edelman and any agent selected to assist in distribution will clearly communicate the client name or product or service for which the release was developed.

#### Engaging a spokesperson

- Identification: When assessing the appropriateness of a spokesperson, Edelman staff strives to identify and analyze all available information about them. A full accounting of this due diligence is provided to the client for their consideration and evaluation. Formal background checks will be provided in accordance with all laws upon the client's request.
- Training: When training a spokesperson, whether a client employee or an individual contracted for the purpose of serving as spokesperson, it is important that the spokesperson have a clear understanding of his or her role and messages – as well as how he or she is being represented to the media and other audiences.
- Documentation: The understanding between the spokesperson and Edelman should be in writing and at a minimum, should contain the spokesperson's obligations, the rights being obtained by the client, the total fee, the term of the engagement and the level of exclusivity required of the spokesperson.

### Role of Word-of-Mouth Marketing

- Edelman employees, its agents and consultants will abide by the Code of Ethics put forward by the Word of Mouth Marketing Association (note web link to WOMMA code on page 15).

### Managing a conflict situation

- If you are concerned that you are facing a conflict of interest between clients, please discuss the matter with your immediate manager or practice head. Also refer to Section 2 of the Code of Conduct.

### Outreach to Appropriate Target Audiences

To the degree possible, strive to structure communication to appropriate target groups and their influencers.

- Edelman will not develop or distribute any communication about alcohol, tobacco (the latter being an industry for which Edelman does not provide counsel), gambling services or products or adult products to individuals under 18 (21 for alcohol-related communication).
- Edelman will distribute communications materials relating to adult products or material only to individuals who are 18 (or 21 as appropriate) or over and who have specifically consented to receive adult marketing.
- No employee will be required to work for a client whose business represents a conflict of personally held beliefs.

### Third Party Engagement

Edelman employees will not implement "grass roots" campaigns or letter-writing campaigns to legislators on behalf of undisclosed interest groups.

### Maintaining a Web Log

We are still in the early days of web logs and have examined the degree to which other companies have stated positions about employees and their creation and use of web logs. Microsoft sums up its counsel to employees by simply stating: "Be Smart." We share this perspective but also encourage you to consider the following if you're inclined to activate a personal non-work related blog:

1. You agree to write under your own name.
2. You agree not to attack personally fellow employees, journalists, clients or other stakeholders with whom you interact as an employee of Edelman.
3. You agree not to disclose any sensitive, proprietary, confidential, non-public, or financial information about the firm and/or its clients.
4. You agree not to post any material that is obscene, defamatory, profane, libelous, threatening, harassing,

- abusive, hateful or embarrassing to another person or any other person or entity.
5. You agree not to post any material that is copyrighted unless (a) you are the copyright owner, (b) have the express, written permission of the copyright owner to post the copyrighted material on your blog, or (c) are reasonably sure that the use of any copyrighted material conforms to the doctrine of “fair use.”
  6. You agree not to post any material that violates the privacy or publicity rights of another individual.
  7. You agree to conform to the rules of the Edelman’s Employee Handbook, especially as it relates to rules regarding conduct outside of your employment.
  8. You agree not to post or conduct any activity that fails to conform with any and all applicable local, state and/or federal laws, including, without limitation, 15 U.S.C. 6501 et seq. (the “Children’s Online Privacy Protection Act of 1998”).
  9. You acknowledge that any reliance on material, content and/or links posted by other parties will be at your own risk. You assume full legal responsibility and liability for all actions arising from your posts.

Blogging on behalf of Edelman should be treated the same as any other official communication created by Edelman and done only with the prior consent of Edelman as applicable.

A broad array of guidelines about expected professional and personal behavior as an Edelman employee can be found in the Employee Handbook, which all employees are expected to have read and indicated that they have done so by signing an accompanying form. The Handbook also addresses e-mail protocols and the handling and use of computers and laptops.

Please refer to the handbook if you need guidance in areas not addressed above.

## **Appendix II**

### **Document Retention Policy**

The corporate records of Edelman are important assets. Corporate records essentially include all records you produce as an employee, whether paper or electronic. A record may be as obvious as a memorandum, an e-mail, a contract or a case study, or something not as obvious, such as a computerized desk calendar, an appointment book or an expense record.

The law requires the firm to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject you and the firm to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the firm in contempt of court or put the firm at a serious disadvantage in litigation.

Edelman expects all employees to fully comply with any published records retention or destruction policies and schedules, provided that all employees note the following general exception to any stated destruction schedule: If you have reason to believe, or the firm informs you that firm and/or client records are relevant to a government investigation, litigation, or potential litigation (i.e., a dispute that could result in litigation), whether or not the firm is, or may be, a party to such litigation or is, or may be, the target of such investigation, or if the firm is contractually obligated to retain certain records, then you must preserve those records until General Counsel determines the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records. If you believe that exception may apply, or have any question regarding the possible applicability of that exception, please contact the General Counsel.

From time to time the firm establishes retention or destruction policies or schedules for specific categories of records to ensure legal compliance, and also to accomplish other objectives, such as preserving client material, intellectual property and cost management. Several categories of documents that bear special consideration are identified below. While minimum retention periods are suggested, the retention of the documents identified below and of documents not included in the identified categories should be determined primarily by the application of the general guidelines affecting document retention identified above, as well as any other pertinent factors.

- a) Employment Records/Personnel Records. State and federal statutes require the firm to keep certain recruitment, employment and personnel information. It is Edelman's responsibility to keep personnel files that reflect performance reviews and any complaints brought against the firm or individual employees under applicable state and federal statutes. Edelman should keep all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel in the employee's personnel file. Employment and personnel records should be retained for six years.
- b) Executive Committee Materials. Meeting minutes should be retained in perpetuity in the firm's minute book. A clean copy of all Executive Committee materials should be kept for no less than three years by the firm.
- c) Press Releases/Public Filings. Edelman should retain permanent copies of all press releases and publicly filed documents relating to Edelman under the theory that the firm should have its own copy to test the accuracy of any document a member of the public can theoretically produce against that firm. It is expected that releases and filings issued on behalf of a client are kept as permanent record by the client and therefore we do not need to maintain record of releases or filings issued on behalf of clients beyond a reasonable period of time.
- d) Legal Files. General Counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.
- e) Client Materials. The firm should keep final copies of materials provided by and generated for clients for the same period of time it keeps other corporate files, generally three years.

An exception to the three-year policy may be invoices, contracts, leases, licenses and other legal documentation. These documents should be kept for at least three years beyond the conclusion of a contract agreement and client relationship. In certain circumstances a client contract may require that we return all client-provided materials, work product and/or confidential information upon conclusion of the relationship or dictate that retention of material extend beyond our own policy.

- f) Development/Intellectual Property and Trade Secrets. Development documents are often subject to intellectual property protection in their final form (e.g., patents and copyrights). The documents detailing the development process are often also of value to the firm and are protected as a trade secret where the firm:
  - a. derives independent economic value from the secrecy of the information; and
  - b. the firm has taken affirmative steps to keep the information confidential.

Edelman should keep all documents designated as containing trade secret information for at least the life of the trade secret.

- g) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of deductions, business costs, accounting procedures, and other documents concerning the firm's revenues. Tax records should be retained for at least six years from the date of filing the applicable return.
- h) Contracts. Final execution copies of all contracts entered into by Edelman should be retained. The firm should retain copies of the final contracts for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.
- i) Electronic Mail. E-mail that needs to be saved should be either:
  - a. printed in hard copy and kept in the appropriate file; or
  - b. downloaded to a computer file and kept electronically or on disk as a separate file.

The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

Failure to comply with this Document Retention Policy may result in punitive action against the employee, including suspension or termination. Questions about this policy should be referred to the Office of General Counsel.



### **Acknowledgement of Edelman's Code of Conduct**

In addition to compliance with Edelman's Code of Conduct, as an employee of Edelman, I certify to understanding the following principles and responsibilities governing my professional and ethical conduct.

To the best of my knowledge and ability:

1. I will act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.
2. I will provide information that is accurate, complete, objective, relevant, timely and understandable.
3. I will comply with rules and regulations of federal, state, and local governments, and other appropriate private and public regulatory agencies.
4. I will act in good faith, responsibly, with due care, competence and diligence, without misrepresenting facts or allowing my independent judgment to be subordinated.
5. I will respect the confidentiality of information acquired in the course of my work except when authorized or otherwise legally obligated to disclose it. Confidential information acquired in the course of my work is never used for personal advantage.
6. I will sharpen skills important and relevant to my responsibilities.
7. I will proactively promote ethical behavior and promptly report violations of the Code of Conduct.
8. I will achieve responsible use of and control over, all assets and resources employed by or entrusted to me.
9. I acknowledge that I am responsible and accountable for adherence to Edelman's Code of Conduct.

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(Signature)

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(Print Name)

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(Date)

(original to employee's file with HR; copy kept by employee)