



## MicroStrategy Inc. Anti-Bribery Policies

MicroStrategy Inc.'s Anti-Bribery Policies are located in the Code of Conduct, Employee Handbook, and on the Legal department SharePoint page. For your convenience, outlined below are the relevant Anti-Bribery Policy excerpts from the Code and Handbook.

### The Anti-Bribery Laws Section of the Code of Conduct

Public sector bribery (including kickbacks) is illegal in the U.S. and various other jurisdictions in which the Company operates. For example, U.S. laws prohibit bribery of "U.S. Government Officials," which for purposes of this section of the Code of Conduct are: (i) Representatives of any U.S. federal or state or local governmental department, agency, or instrumentality, (ii) Representatives of any entity or company owned or controlled by any U.S. federal or state or local governmental department, agency, or instrumentality, or (iii) any person acting in an official capacity for or on behalf of any of the foregoing. Similarly, the U.K. Bribery Act prohibits bribery of U.K. government officials. Laws in other countries similarly prohibit public sector bribery in those countries. These laws generally provide for civil and criminal sanctions for those who fail to comply. Companies which fail to comply with these laws may also be subject to debarment from government contracting.

In addition, the U.S. Foreign Corrupt Practices Act (the "FCPA") prohibits bribery of Foreign (non-U.S.) Government Officials and provides very serious civil and criminal sanctions for companies and individuals who fail to comply with this statute. For purposes of this section of the Code of Conduct, a "Foreign Government Official" includes any of the following (with respect to non-U.S. governments), regardless of rank: (i) an officer or employee of a government or a governmental department, agency, or instrumentality (including someone who holds a legislative, administrative, or judicial position of any kind, whether appointed or elected); (ii) a political party, a party official, or candidate for political office; (iii) an officer or employee of a government owned or controlled entity or company; (iv) a member of a military; (v) an officer or employee of a public international organization (such as the United Nations or the World Bank); or (vi) any person acting in an official capacity for or on behalf of any of the foregoing or otherwise exercising a public function. Similarly, the U.K. Bribery Act prohibits the giving and taking of bribes in the public sector generally, and bribery of non-U.K. public officials is a specific offense under the Act. Many countries in which MicroStrategy operates have similar laws. These laws generally define the term "bribe" broadly to include Anything of Value offered or given with the purpose of influencing improperly or rewarding improperly a decision or conduct.

To help ensure compliance with the FCPA, the U.K. Bribery Act and other public sector anti-bribery laws, you are prohibited from, directly or indirectly, offering, giving, paying, promising to give or pay (or entering into an agreement to do any of the foregoing) Anything of Value to:

- any Foreign or U.S. Government Official;
- any relative of a Foreign or U.S. Government Official;
- any other person or entity while knowing or having reason to know that the benefit will be given to a Foreign or U.S. Government Official; or
- any entity owned or controlled by a Foreign or U.S. Government Official or a relative of a Foreign or U.S. Government Official

for the purpose of (i) influencing, inducing, rewarding, or otherwise affecting an official act, decision, or omission thereof, (ii) securing any improper business advantage, or (iii) assisting in obtaining or retaining business for or with, or directing business to, any person or entity. As indicated above, Anything of Value includes, without limitation, payment for meals, travel, or entertainment.

Commercial bribery (bribery of Representatives of non-governmental entities), including kickbacks, is also illegal in the U.S. and various other jurisdictions in which the Company operates. For example, in the U.S., a number of state laws prohibit commercial bribery. Similarly, the U.K. Bribery Act prohibits the giving and taking of bribes in the private sector. You must never directly or indirectly (i.e., through a third party) offer, give, pay, promise to give or pay (or enter into an agreement to do any of the foregoing) a bribe to any person or entity doing or seeking to do business with the Company. You must also never directly or indirectly request, agree to accept, or accept a bribe from any person or entity doing or seeking to do business with the Company.

*For more information regarding MicroStrategy's policies on anti-bribery laws, please reference the Anti-Bribery Laws Compliance Policy section of the MicroStrategy Employee Handbook.*



## The Anti-Bribery Laws Compliance Policy from the Employee Handbook

### Overview of Policy

The U.S. Foreign Corrupt Practices Act of 1977, as amended ("FCPA") prohibits improper or corrupt payments to foreign (i.e., non-US) government officials. The FCPA's prohibitions apply both to payments made directly by companies and their employees and to those made indirectly, through persons or entities who may act for a company. The FCPA also requires publicly listed companies, such as MicroStrategy, to keep accurate books, records and accounts and maintain adequate internal controls.

MicroStrategy is committed to full and rigorous compliance with all aspects of the FCPA. All MicroStrategy employees, officers, directors, consultants and contractors (for convenience and for purposes of this policy only, collectively referred to herein as "employees") are expected to comply with the requirements of the FCPA. Employees who know or suspect that a violation of the FCPA or this policy has taken place or is about to take place are required to report their concerns immediately to the Legal Department and/or to the Audit Committee (through the MicroStrategy EthicsLine). Employees who violate the FCPA or this policy will be subject to disciplinary action, which may include termination of employment.

### Definitions

For purposes of this policy, the following definitions shall apply:

"Anything of Value" means any of the following, whether paid for with Company or personal funds:

- (i) cash, checks, wire transfers, gift certificates, credit card use and other cash or monetary equivalents;
- (ii) tangible and intangible gifts, favors, services and benefits;
- (iii) donations or other charitable contributions;
- (iv) payments to cover meals, travel and entertainment expenses; or
- (v) anything else of value.

"Foreign Government Official" means any of the following (with respect to non-US governments), regardless of rank:

- (i) an officer or employee of a government or a governmental department, agency or instrumentality;
- (ii) a political party, a party official or candidate for political office;
- (iii) an officer or employee of a government owned or controlled entity or company;
- (iv) a member of a military;
- (v) an officer or employee of a public international organization (such as the United Nations or the World Bank);  
or
- (vi) any person acting in an official capacity for or on behalf of any of the foregoing.

"Payment" or "Pay" means offer, gift, payment, promise to give or pay or authorization to anybody else to offer, give, pay or promise to give or pay, or entry into an agreement to do any of the foregoing.



## **Anti-bribery Prohibitions**

The FCPA prohibits the Payment of Anything of Value to a Foreign Government Official, or to any other person or entity while “knowing” (as described in more detail below) that the Payment will be passed on to a Foreign Government Official, for the purpose of (i) influencing, inducing or otherwise affecting an official act, decision or omission thereof, (ii) securing any improper business advantage, or (iii) assisting in obtaining or retaining business for or with, or directing business to, any person or entity.

Attempting to bribe a Foreign Government Official is also prohibited, even if the attempted bribe is not accepted or the bribe is not consummated. In addition, although relatives of Foreign Government Officials are not themselves considered Foreign Government Officials under the FCPA, Payments to relatives of a Foreign Government Official may raise an inference that the Payments are being passed on to the Foreign Government Official. In addition, Payments to entities owned in whole or in part by a Foreign Government Official or his/her relative may raise an inference that the Payments are being passed on to the Foreign Government Official.

It is possible to violate the FCPA without having actual knowledge that a Payment will be passed on to a Foreign Government Official. Holding the firm belief that a Payment will be made, or that a Payment is substantially certain to occur, may be sufficient to satisfy the FCPA requirement of “knowledge” and lead to liability. Consciously disregarding a high probability that such a Payment will be made may also lead to liability. As a result, “willful blindness,” “deliberate ignorance” or a “head-in-the-sand” attitude will not shield a person or company from liability under the FCPA.

Accordingly, companies and individuals may be liable under the FCPA not only for their own actions, but also for actions of third parties, such as consultants, distributors, resellers, vendors, partners, prime- or subcontractors, or other agents (collectively, “Business Associates”). Therefore, before retaining Business Associates who may come into contact with Foreign Government Officials while conducting MicroStrategy business, MicroStrategy employees must conduct integrity checks and investigate any “red flags” in accordance with Company procedures (as described in more detail below).

## **Anti-bribery Penalties**

Penalties for violations of the anti-bribery provisions of the FCPA may be severe. An individual found to have violated any of these provisions is punishable by up to five years imprisonment and/or up to \$250,000 in criminal fines per violation. A company may face criminal fines in an amount up to \$2 million per violation or double the gross gain or loss from the unlawful activity, whichever is greater. Civil penalties may also be imposed. A company may be suspended or barred from doing business with the federal government.

## **Accounting Requirements**

The FCPA also requires publicly listed companies, such as MicroStrategy, to make and keep books, records and accounts, which accurately and fairly reflect, in reasonable detail, the transactions and dispositions of the assets of the company. The FCPA includes no financial materiality test; even a non-material inaccuracy in a company’s books, records and accounts can constitute a violation of the FCPA. The concept of “books, records and accounts” under the FCPA is broad. It includes documents reflecting transactions in any form, including records of transactions with Business Associates. As an example, a payment booked as a consulting expense for community relations may violate the accounting requirements of the FCPA if the payment was, in fact, a bribe.

To help ensure compliance with the FCPA and other laws, MicroStrategy employees may not falsify any corporate record, invoice, contract or other business document.

## **Accounting Penalties**

Penalties for violations of the accounting provisions of the FCPA may be severe. An individual found to have knowingly violated any of these provisions is punishable by up to 20 years of imprisonment, up to \$5 million in



criminal penalties and/or up to \$100,000 in civil fines per violation. A company that knowingly commits a violation may face criminal fines in an amount up to \$25 million and/or civil fines in an amount up to \$500,000 per violation.

#### **Example of Improper Payments under the FCPA**

One of the largest FCPA penalties to date involved the California-based Titan Corporation. Titan's subsidiaries made payments to an agent in a foreign country for "consulting" services. These payments were passed on to the reelection campaign of the then-incumbent President of that country in order to obtain an increased management fee for Titan's telecommunications project in that country. The U.S. Department of Justice and the SEC alleged that Titan failed to conduct meaningful due diligence on the consultant and failed to ensure that the services detailed on his invoices were, in fact, performed. Titan pled guilty to violating the FCPA and paid \$28.5 million in penalties.

#### **Payments, Gifts, Meals, Travel and Entertainment**

In order to help ensure compliance with the FCPA, employees are prohibited from Paying Anything of Value, directly or indirectly, to:

- any Foreign Government Official;
- any relative of a Foreign Government Official;
- any other person or entity (such as a consultant) while knowing or having reason to know that the benefit will be given to a Foreign Government official; or
- any entity owned or controlled by any Foreign Government Official or any relative of a Foreign Government Official

unless the Payment is expressly approved in advance by the Legal Department or is within the guidelines specified in the FCPA Pre-Approved Expenses List (attached as Exhibit A hereto). NOTE: Anything of Value includes, without limitation, payment of meals, travel or entertainment.

If the proposed Payment is in exchange for products and/or services, the following will be among the factors considered in the approval process: whether (1) the products and/or services are legitimate business products and/or services; (2) the recipient of the Payment is qualified to provide the products or perform the services for which it is being Paid; (3) any transaction or official decision involving MicroStrategy and/or MicroStrategy products/services would be subject to undue authority or influence by the Foreign Government Official in question; (4) the amount is appropriate; (5) the Payment is permitted under the local laws of the host country; and (6) the Payment is accurately reflected in the Company's books, records and accounts.

If the proposed Payment is in the form of a gift, the following will be among the factors considered in the approval process: whether the Payment is (1) made to promote general good will and not as a quid pro quo for any official action; (2) of modest value; (3) not in the form of cash, checks, wire transfers, gift certificates, credit card use or other cash or monetary equivalents; (4) permitted under local laws of the host country; (5) customary, in type or value, in that country; and (6) given openly and not secretly.

If the Payment is in the form of payment for meal, travel or entertainment expenses, the following will be among the factors considered in the approval process: whether the Payment is (1) directly related to promoting, demonstrating or explaining the Company's products or services or executing or performing a contract; (2) of reasonable amount in light of the business purpose; (3) proportional to the business purpose; and (4) permitted under the local laws of the host country.

All expenses incurred in connection with gifts, meals, travel or entertainment must be accurately reflected in the Company's books, records and accounts. This means that expense reports must clearly state that the gift, meal, travel or entertainment was provided to a Foreign Government Official or a relative of a Foreign Government Official (or another person while knowing or having reason to know that the benefit will be given to a Foreign Government Official) and must reflect the business purpose for the expense. Receipts must be obtained for any expenditure.



Where possible, travel expenses should be booked through MicroStrategy's own travel agent and payments should be made directly to the vendor.

In all instances, if one of the reasons for a Payment is to (i) influence, induce or otherwise affect an official act, decision or omission thereof, (ii) secure any improper business advantage, or (iii) assist in obtaining or retaining business for or with, or directing business to, any person or entity, the Payment is prohibited.

### **Business Associates**

In order to help avoid violating the FCPA through the actions of a Business Associate, before retaining Business Associates who may come into contact, directly or indirectly, with Foreign Government Officials while conducting MicroStrategy business, MicroStrategy employees must comply with the Legal Department's procedures for conducting integrity checks and investigating red flags.

### **Integrity Checks**

The following factors will be among the factors considered as part of the integrity check process:

- The country that is to be the focus of the business relationship – special attention will be paid to countries with a high reputation for corruption;
- The reputation and past business dealings of the Business Associate in local and international business and financial circles;
- Whether the Business Associate has been the subject of any formal or informal allegations, prosecution or other official proceedings involving the making of any improper payments to Foreign Government Officials;
- The business organization and operations of the Business Associate, including (i) the size of the Business Associate's facilities and staff and whether they are sufficient to perform the services for which the Business Associate may be hired or retained and (ii) the Business Associate's qualifications and expertise to perform the services for which it is being hired or retained;
- Whether any director, officer, or direct or indirect owner of the Business Associate is a current or former Foreign Government Official, a relative or close associate of a Foreign Government Official;
- Whether the amount of compensation sought by the Business Associate is fair, reasonable and comparable to compensation paid to others for similar services;
- Whether the Business Associate seeks to be paid in a way that raises concerns, e.g., in cash, to offshore accounts or pursuant to invoices that do not accurately describe the services rendered; and
- Whether the Business Associate will require the retention of any subcontractors, consultants, agents or representatives in connection with MicroStrategy business and whether the Business Associate has conducted adequate integrity checks with respect to them.

### **Potential "Red Flags"**

In retaining or interacting with Business Associates who may come into contact, directly or indirectly, with Foreign Government Officials while conducting MicroStrategy business, employees should be aware that certain fact scenarios may indicate a potential FCPA problem. Discussed below are certain "red flags" which are illustrative of potential FCPA problems. While the presence of red flags does not necessarily mean there is an FCPA problem, the following circumstances require communication and consultation with the Legal Department:



- Payments by Business Associates to a Foreign Government Official, a Foreign Government Official's relative or a company owned in part or in whole by a Foreign Government Official or his/her relative;
- A Business Associate's reputation for unethical conduct;
- Requests by a Business Associate for unusually large commissions or other payments;
- Requests by a Business Associate that payments be made into a third country, a third-country bank account, or a numbered account;
- Requests by a Business Associate for payments to another person or entity rather than directly to the Business Associate;
- Requests by a Business Associate for payment in cash, in third-country currency, or in goods or services;
- Requests by a Business Associate for payments of false invoices or other false documentation;
- Information indicating that a Business Associate may have failed to make full and accurate disclosure during any investigation;
- A Business Associate's insistence on anonymity;
- Recommendations by a potential customer who is a Foreign Government Official to use or hire a particular Business Associate;
- A Business Associate's lack of the necessary capabilities to perform the task for which the Business Associate was retained (e.g., the Business Associate lacks the staff, facility, qualifications or expertise to perform the required services);
- A statement by a Business Associate that money is needed to "get the business" or to "make the necessary arrangements," or another statement of similar effect;
- An arrangement with a Business Associate that is illegal under local law.

#### **Documentation**

Integrity checks and investigations of any red flags must be documented and such documentation must be maintained in MicroStrategy's files.

#### **Written Agreement**

Even after an appropriate investigation is completed, a Business Associate shall not be retained unless the Business Associate's services are provided pursuant to a written agreement between MicroStrategy and the Business Associate. MicroStrategy will generally require that the agreement contain provisions that prohibit the Business Associate from engaging in behavior in connection with the conduct of MicroStrategy business that would violate the FCPA.

#### **Disciplinary Action**

Any violations of the FCPA or this policy will result in disciplinary action, which may include termination of employment.

#### **Reporting Violations**

Employees who know or suspect that a violation of the FCPA or this policy has taken place or is about to take place are required to report their concerns. Please report your concerns to the Foreign Corrupt Practices Act Compliance team: the Foreign Corrupt Practices Act Compliance Officer (currently W. Ming Shao (Senior Executive Vice President & General Counsel), Olga E. Nejikovsky (Senior Vice President & Deputy General Counsel), or Johanna Gnall (Senior Risk Management Counsel).

Alternatively, you may report your concern directly to the Audit Committee of the MicroStrategy Board of Directors through the [MicroStrategy EthicsLine](#). The EthicsLine operates 24 hours a day, seven days a week, and is run by an independent, third-party provider to help preserve confidentiality and anonymity. While you are encouraged to include your name on reports in order to assist investigation and follow-up, you may choose to remain anonymous. You can access the EthicsLine on the Internet at the following address:

<https://secure.ethicspoint.com/domain/media/en/gui/18986/index.html>. You can also access the EthicsLine by



telephone using country-specific phone numbers that are available on the EthicsLine website. The U.S. phone number for accessing the EthicsLine is: 888-266-0321. Only the Audit Committee and/or its designated representatives have access to EthicsLine reports.

MicroStrategy prohibits retaliation against or intimidation of anyone who, in good faith, reports a suspected violation or who participates in an investigation.

Compliance is every employee's responsibility. Failure to report a suspected violation of the FCPA or this policy is unacceptable and a violation of Company policy in itself.

**Questions**

If you have any questions about this policy or any related fact situation, please contact the Legal Department.

**Exhibit A**

FCPA Pre-Approved Expenses List\*

The FCPA Pre-Approved Expenses List outlines expenses involving Foreign Government Officials that have been pre-approved by the Legal Department for purposes of MicroStrategy's Anti-Bribery Laws Compliance Policy and the "Gifts" section of the Code of Conduct. Providing Anything of Value to a Foreign Government Official that is not within the guidelines listed below is prohibited without prior approval from the Legal Department. Note that although the expenses listed below may be incurred without additional pre-approval from the Legal Department, they must be documented and submitted to the Legal Department's FCPA Compliance team for tracking within 5 business days after the date upon which the decision is made to incur the expense. In addition, the expenses must be accurately reflected in expense reports and other MicroStrategy books, records and accounts.

Please note that even if an expense appears on the list below, it may not be offered or provided to a Foreign Government Official (or anyone who you know or have reason to know will give the benefit to a Foreign Government Official) if the purpose of the expense is to improperly influence the Foreign Government Official.

The list does not exhaustively catalogue all expenses that may be incurred in connection with Foreign Government Officials. As described in MicroStrategy's Anti-Bribery Laws Compliance Policy, expenses not listed below *may* be permissible, but they must be approved by the Legal Department before being offered or provided to a Foreign Government Official (or anyone who you know or have reason to know will give the benefit to a Foreign Government Official).

Expense	Amount	Qualifiers
<i>Seasonal gifts</i> for New Year, Christmas, and other annual holidays, such as wine, fruit baskets, or local delicacies	\$ 50 or less	Provided that all of the following conditions are met: (a) the Foreign Government Official does not receive Anything of Value from MicroStrategy in any six-month period exceeding a combined total of \$500**, (b) the gift is: (i) distributed to most customers, (ii) made to promote general good will and not as a quid pro quo for any official action, (iii) customary in the host country, (iv) given openly and not secretly, and (v) not in the form of cash or cash equivalents, and (c) the MicroStrategy employee offering the gift does not know or have reason to believe that the offer/acceptance of the gift is prohibited under local law or internal rules applicable to the Foreign





Expense	Amount	Qualifiers
		Government Official
<p><i>Promotional items or mementos</i> bearing the MicroStrategy logo or conference/event name, such as pens, notepads, mugs, desk ornaments, shirts, umbrellas, tote bags, or computer bags distributed during conferences or meetings organized, sponsored, or attended by MicroStrategy</p>	<p>\$ 100 or less in any twelve-month period</p>	<p>Provided that all of the following conditions are met:</p> <p>(a) the promotional item/memento is:</p> <p>(i) distributed to most attendees, and</p> <p>(ii) customary in the host country, and</p> <p>(b) the MicroStrategy employee offering the item or memento does not know or have reason to believe that the offer/acceptance of the item or memento is prohibited under local law or internal rules applicable to the Foreign Government Official</p>
<p><i>Free or reduced admission passes</i> to MicroStrategy Technology Days or Technology Symposia (including MicroStrategy World)</p>	<p>Free or Reduced</p>	<p>Provided that all of the following conditions are met:</p> <p>(a) the event is:</p> <p>(i) related to the promotion, demonstration or explanation of MicroStrategy products and/or services, and</p> <p>(ii) organized for a variety of customers, not just government customers,</p> <p>(b) the admission pass does not entitle the attendee to free meals and refreshments valued in excess of \$150 (combined meal and refreshment value for the event) or free travel, accommodations or entertainment, and</p> <p>(c) the MicroStrategy employee offering the admission pass does not know or have reason to believe that the offer/acceptance of the free or reduced pass is prohibited under local law or internal rules applicable to the Foreign Government Official</p> <p>(Note: This means that travel, accommodations or entertainment of the Foreign Government Official is prohibited without specific pre-approval from the Legal Department, and meals, refreshments, and promotional items or mementos not otherwise covered by this category of expense are subject to the other sections of this FCPA Pre-Approval List )</p>
<p><i>Meals</i> at which substantial and legitimate business matters are discussed and at least one MicroStrategy employee is in attendance</p>	<p>\$ 150 or less*** (including refreshments)</p>	<p>Provided that all of the following conditions are met:</p> <p>(a) the Foreign Government Official does not receive Anything of Value from MicroStrategy in any six-month period exceeding a combined total of \$500**,</p> <p>(b) the Foreign Government Official is not bringing personal guests (such as a spouse), and</p> <p>(c) the MicroStrategy employee offering the meal does not know or have reason to believe that the offer/acceptance of the meal is prohibited under local law or internal rules applicable to the Foreign Government Official</p>





Expense	Amount	Qualifiers
		(Note: This means that if any portion of the expense is related to personal guests of a Foreign Government Official, specific pre-approval from the Legal Department is required)
Refreshments offered during meetings or events where legitimate business matters are discussed and at least one MicroStrategy employee is in attendance at the meeting or event	\$50 or less***	Provided that all of the following conditions are met: (a) the Foreign Government Official does not receive Anything of Value from MicroStrategy in any six-month period exceeding a combined total of \$500**, and (b) the MicroStrategy employee offering the refreshments does not know or have reason to believe that the offer/acceptance of the refreshment is prohibited under local law or internal rules applicable to the Foreign Government Official

\* Please note that in addition to the Anti-Bribery Laws Compliance Policy, the expenses listed herein are subject to all other Company policies, including, without limitation, the T&E Policy.

\*\* Not counting free or reduced price admission passes to MicroStrategy Technology Days or Symposia, described in more detail above.

\*\*\* This amount refers only to costs for the Foreign Government Official (*i.e.*, costs incurred by MicroStrategy employees are not included).

This FCPA Pre-Approved Expenses List is effective as of February 9, 2007.