



# REPUTATIONAL DUE DILIGENCE POLICY

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# REPUTATIONAL DUE DILIGENCE POLICY

## 1. Policy Context

### 1.1. Purpose –

Laureate often enters into business relationships with individuals or organizations that present heightened risks. These include investors, JV partners, and acquisition counterparties. In these cases, it is important that we gather and assess reputational information about these persons before entering into a relationship or transaction.

This Policy sets forth the general criteria and process for securing and using such due diligence.

### 1.2. Scope –

This Policy applies to every officer, director, full- and part-time employee, faculty member, contractor, and student worker of Laureate. It also applies to all agents, representatives, consultants, and other third parties acting on behalf of Laureate or its affiliates. References in this Policy to “Laureate” include Laureate Education, Inc., and its subsidiaries and affiliates, including all members of the Laureate International Universities network.

### 1.3. Definitions –

**Reputational Due Diligence:** Information gathering concerning a person’s prior business dealings, instances of corruption and other improper behavior, and reputation for ethical conduct.

## 2. Policy Statement

### 2.1. Roles and Responsibilities –

**Chief Ethics & Compliance Officer:** enforces this Policy and maintains a list of relevant qualified due diligence service providers.

**General Counsel:** approves or disapproves proposed relationships based on results of due diligence.

**Regional Counsel:** assist Chief Ethics & Compliance Officer as needed and provide local legal expertise.

**VP, Global Safety & Security:** assists Chief Ethics & Compliance Officer with maintaining a list of relevant qualified due diligence providers.

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## 2.2. Policy Requirements –

### 2.2.1. Application

The due diligence requirements in this Policy apply to contemplated business relationships with any of the following persons:

- Current owners of institutions to be acquired
- Parties who may purchase substantial Laureate assets
- Equity investors (other than those purchasing Laureate stock in a publicly-traded market)
- JV partners
- Members of Laureate or institutional Boards of Directors
- Business partners who will be licensing Laureate intellectual property
- Advisory Board members

**All such persons must go through a reputational due diligence check prior to Laureate entering into any such business relationship.**

Other persons also may be subject to due diligence checks. See the Policy for Engaging Third Parties (ETC.04), which requires certain due diligence prior to engaging any agent and consultant who may interact with the government on Laureate's behalf. In addition, Laureate management or counsel may request due diligence in advance of other business relationships where there is relevant risk to the organization.

### 2.2.2. Scope of Due Diligence

The due diligence required will depend on the potential risks involved. In general, due diligence for the persons listed above should include both a search of public records (including government sanctions lists, lists of politically-exposed persons, financial records, litigation records, and media reports), as well as discreet interviews with relevant individuals who may have knowledge of the person's conduct and reputation. In some cases, public record search may be sufficient.

### 2.2.3. Procedure

1. In all cases, reputational due diligence should be performed by a qualified third party. Laureate maintains a list of such service providers.
2. Laureate personnel who are contemplating a business relationship with any person who falls within the scope of this Policy should contact their Regional Counsel (senior counsel for the relevant Laureate Region) or the Laureate General Counsel or Chief Ethics & Compliance Officer.
3. Counsel will in turn engage the Chief Ethics & Compliance Officer, who maintains the list of qualified providers.

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4. Together with relevant counsel and management, the Chief Ethics & Compliance Officer will determine the appropriate level of due diligence and engage the provider to perform the check.
5. When the due diligence is complete, all relevant counsel and management may review the report, but ultimate authority to determine if management may proceed with the proposed business relationship rests with the Laureate General Counsel.
6. The General Counsel, may approve or disapprove the engagement, or approve it on condition that certain controls or precautions are put in place.

## 2.3. Deviations –

There are no deviations currently approved for this Policy.

## 2.4. References –

Laureate personnel who have a question whether an action is consistent with this Policy and applicable law, or who become aware of conduct that may be a violation of this Policy or the law, should raise the issue with management, their Local Compliance Officer, someone in the Legal Department, or with Laureate's Chief Ethics & Compliance Officer. Laureate personnel also may seek advice or report a possible violation by using the confidential Laureate Ethics Helpline at [www.LaureateEthics.net](http://www.LaureateEthics.net), anonymously if they wish.

## 3. Policy Governance

### 3.1. Ownership –

It is the responsibility of the Chief Ethics & Compliance Officer to monitor and enforce compliance with this Policy.

### 3.2. Non-Compliance Warning –

Employees who violate this Policy will be subject to disciplinary action, up to and including termination of employment.

### 3.3. Review –

This policy should be reviewed by the Policy Council every three years for clarity, accuracy, and relevance.