



ANTI-CORRUPTION POLICY

February 2016

We Engage Only in Ethical Business Practices

Consistent with operating with the highest ethical standards, TCP (“the Company”) does not use bribes, kickbacks, side payments, special commissions, favors, or any other improper or hidden compensation (each, an “Improper Payment”) in any way to advance our business.

We Do Not Offer or Accept Improper Payments

TCP associates are prohibited from directly or indirectly offering, giving, soliciting or receiving any form of bribe, kickback or other corrupt payment, or anything of value, to or from any person or organization, including government agencies, individual government officials, private companies and associates of those private companies under any circumstances.

We Sharply Limit Gift-Giving, Entertainment, and Sponsored Travel by the Company

Gift-giving, entertainment, and sponsored travel can pose special challenges to ensure they do not fall under “Improper Payments”. Therefore no gift-giving is permitted on behalf of TCP other than non-cash gifts of nominal value (\$50 or less) which are of a promotional nature and which comply with local law and custom. No “wining and dining” of the representative of any organization, including government agencies or private companies except where it is directly related to TCP’s business; the costs are modest; the activity is permitted under local law and relevant agency policy; and the activity is in line with guidelines provided by your manager. No travel expenses may be paid or reimbursed for such representatives without the specific, advance approval of the Legal Department. No such travel expense payment or reimbursement will be approved unless the travel destination and duration is directly related to the business being conducted; the proposed expenditure is modest and appropriate; and such payment or reimbursement is permitted under local law and relevant agency policy.

We Do Not Bribe Government Officials

Associates and other persons who act on behalf of TCP must be aware that special, more restrictive rules commonly apply to doing business and interacting with government agencies (including national, state, provincial, and local governments), both in the U.S. and abroad. Not surprisingly, it is illegal almost anywhere to bribe government officials to obtain or retain business, to avoid or change the application of laws or regulations to our business activities, or otherwise to obtain favorable treatment for TCP. Such bribery commonly violates both local and foreign anti-bribery laws.

We do not provide Improper Payments or other things of value to legislative, regulatory, law enforcement, or other government officials in order to influence the creation, application, enforcement, or repeal of laws or regulations that apply or may apply to our business activities. We do not have an exception for small, facilitating payments (so-called “grease” payments); we do not condone “small violations” of local law, nor do we condone corruption in any form.

The United States has passed numerous laws which prohibit bribery and other corrupt practices. The U.S. Foreign Corrupt Practices Act (“FCPA”) imposes both criminal and civil penalties for offering, paying, promising to pay, or authorizing the payment of money or anything else of value to a non-U.S. government official, whether directly or through an agent or other intermediary, for the purpose of influencing an act or decision or securing an improper advantage. Furthermore, the U.S. International Anti-Bribery Act of 1998 criminalizes bribery, corruption and related offenses in both the public and private sectors. Additionally, the U.S. Travel Act prohibits the use of foreign or interstate commerce, including interstate or international travel or communications (such as facsimile, email or phone calls) in furtherance of unlawful conduct, including commercial bribery. Believing that “that’s the way business is done there” is not going to protect either TCP or you from severe legal penalties that can apply to such conduct; nor will it protect you from the disciplinary measures that the Company will take against any employee or other person acting on our behalf who engages in such conduct.

Other countries also have anticorruption laws. For example, the United Kingdom passed the Bribery Act 2010 (the “Bribery Act”). Under the Bribery Act, the payment or receipt of bribes by an organization that carries on all or parts of its business in the United Kingdom, even if the bribery occurred outside the United Kingdom, would be a violation of the Bribery Act and thus a crime.

We Understand that Persons Working for State-Owned Enterprises Are Commonly Considered “Government Officials,” And Are Treated As Such by TCP

For purposes of this policy, “government officials” should be considered to include not only associates of government agencies at any level, but also associates of state-owned or state-controlled business enterprises, officials of political parties, and associates of public international organizations like the United Nations and the World Bank; other persons who act in an official capacity on behalf of such agencies, enterprises, parties, or organizations; and candidates for political office. It is your responsibility to know enough about the status of a person with whom you wish to transact business or form a business relationship to determine whether the person should be considered a government official, or to seek appropriate advice on this issue.

We Make No Company-Sponsored Political Contributions

Business donations to political parties are also prohibited or tightly restricted in many jurisdictions and, where not prohibited outright, can raise corruption problems or concerns. As such, no company funds or other resources may be contributed to any political party in any international or domestic location.

We Keep Accurate Books and Records and Maintain Adequate Internal Controls

As with receipts and expenditures generally, any expenditure of the Company’s funds or other use of our resources in connection with any of the activities covered by this corporate policy must be accurately described in supporting documents and accurately entered in our books and records. No such expenditure may be handled “off the books,” nor may it be buried in some nondescript account like “miscellaneous expenses.”

TCP is a public company and therefore is subject to the accounting provisions of the FCPA, namely its books and records and internal controls requirements. It is our policy to keep accurate books and records and maintain adequate internal controls. Accordingly, we shall:

- A. make and keep books, records and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; and
- B. devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that:
 - i. transactions are executed in accordance with management's general or specific authorization;
 - ii. transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and to maintain accountability for assets;
 - iii. access to assets is permitted only in accordance with management's general or specific authorization; and
 - iv. recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

We Demand Ethical Conduct from Our Agents and Business Partners

Agents, consultants, distributors, joint venture and consortium partners, franchisees and other persons who will conduct business on behalf of TCP or whose conduct will reflect on the Company will only be selected or retained after appropriate due diligence. Such persons must be willing to conduct business on the basis of the principles set forth in this corporate policy and the TCP Codes of Business Conduct and certify their willingness to do so. To be safe, we will subject them to ongoing oversight to ensure that they follow ethical business practices when acting on TCP's behalf. Those who cannot meet this basic test pose both legal and business risks for the Company, and their ability to establish or continue a business relationship with us will be handled accordingly.

Due Diligence of potential business partners is important because payments made by a third party on behalf of TCP may subject TCP to the same liability as if TCP had made the payment itself. Make sure a prospective business partner is a legitimate organization, with the skills, talent, resources and competencies to perform its obligations and that neither the business partner, nor any of its employees or affiliates, has made or is likely to make improper payments. Consider a business partner's reputation and any ties with the government or a government official.

Finally, it is important that due diligence be exercised in the supervision and review of a business partner's actions and performance of its obligations throughout the term of the engagement so that any concerns can be quickly identified and addressed.

The Legal Department can assist in guiding you through your due diligence efforts and assessing the results of your due diligence.

We Do Not Ignore “Red Flags”

It is important not only to avoid bribery, kickbacks and other forms of corruption but also to avoid ignoring signs of bribery kickbacks and other forms of corruption. If something about a proposed transaction or business arrangement “looks bad” or “smells funny,” such that the transaction or arrangement is inconsistent with our culture of integrity, ask questions, discuss the matter with your manager, and, where reassuring answers are not forthcoming, take appropriate steps to block or escalate the transaction or business arrangement. Ignoring “red flags” can easily create significant legal and business risks for TCP, and, depending on the seriousness and consequences of what was ignored, can subject you to personal liability and company disciplinary measures.

Examples of “red flags” that require attention are:

- unusual payments or financial arrangements such as payments to a numbered bank account or payments in cash or by check made payable to “bearer”;
- refusal by an agent, consultant, vendor or business partner to agree in writing to comply with anticorruption laws;
- news accounts relating that an agent, consultant, vendor or business partner has been associated with bribes, kickbacks or fraud;
- unusually high commissions;
- refusal or inability of an agent, consultant, vendor or business partner to provide appropriate documentation to support an expenditure or claim for reimbursement;
- apparent lack of qualifications, experience, or resources on the part of the agent, consultant, vendor or business partner to perform the services offered; and
- recommendation by a government official or government customer of a particular agent, consultant, vendor or business partner.

We Understand that Violations of This Policy Can Cause Considerable Harm

This Policy applies to all associates of the Company, and other companies and persons who are agents of the Company. Anyone who violates this policy can subject both himself/herself and TCP to severe criminal and civil penalties under both U.S. and local law. Violations of laws prohibiting bribery, kickbacks and other forms of corruption, including but not limited to the FCPA, can result in criminal and civil liability, leading to substantial fines and even imprisonment. In addition, depending on the circumstances, violations of this policy can cause substantial collateral harm to our company in other areas, including our ability to conduct future business with Government Officials, our ability to export goods, and our ability to access a variety of US government programs that support international business activities. As a consequence, any violation of this policy will be taken seriously and will lead to appropriate disciplinary measures, up to and including termination of employment.

We Report Violations and Ask Questions through Appropriate Channels

All known or suspected violations of this policy should be reported without delay to the Legal Department or, if you prefer, via the confidential Incident Reporting Hotline (the “Hotline”). Questions concerning application of this policy should also be directed to the

Legal Department. Associates and other persons acting on behalf of TCP are also encouraged to discuss questions and concerns about our business practices or policies with their management.

You may contact the Legal Department as follows: James Myers, Assistant General Counsel (Corporate & Securities), telephone number 201-453-6000 Ext: 37631, jmyers@childrensplace.com. Reports can also be made through the Hotline at 1-800-963-KIDS or via the web at www.reportlineweb.com/thechildrensplace.

The Company's Codes of Business Conduct also addresses situations which may be deemed to involve Improper Payments and anti-bribery laws and should be read alongside this policy.