

## Anti-Bribery and Corruption Policy



## Anti-Bribery and Corruption Policy

### Message on behalf of the Board

Beck & Pollitzer Limited and its subsidiaries (the "Company") are committed to conducting its business in a fair and ethical way, without using bribes or corrupt practices to obtain unfair advantages in its business dealings.

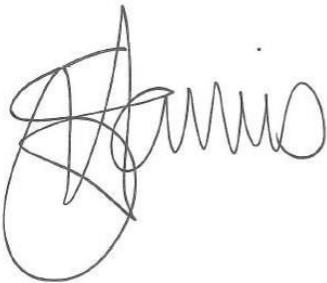
The Company operates in a global economy in which business ethics now play an increasingly important role. Bribery and corruption are unacceptable ways of conducting business. Bribes and corrupt practices are morally unacceptable, as they harm societies in which these acts are committed and prevent economic growth and development. Moreover, they are also illegal in almost all countries around the world. Being UK registered, the Company is subject to some of the most detailed and punitive anti-corruption legislation in the world. Consequently, any employee, director, officer, committee member, consultant, contractor, volunteer, intern, agency worker or third-party agent of the Company that engages in bribery or fraudulent practices, risks severe consequences for the Company and themselves, such as reputational damage, prosecution, fines and imprisonment.

The Company's board of directors (the "Board") considers compliance with anti-bribery and corruption laws not only to be a legal requirement, but a reflection of the Company's strong business ethics. The Board is committed to this Anti-Bribery and Corruption Policy (the "ABC Policy"). The Company will apply a **zero-tolerance** approach to violations of this ABC Policy. Any breach of the ABC Policy will be regarded as a serious matter and may result in disciplinary action, dismissal or termination of contract.

This ABC Policy is designed to help you to recognise potential bribery and corruption issues, to give you guidance on acceptable and unacceptable behaviour and to tell you where to go for further information. It should not, however, be regarded as exhaustive in its guidance and if you ever have a concern that is not addressed directly within this ABC Policy, or you are unclear about any of its contents, you must seek further advice from your line manager or the Group CFO.

The ABC Policy will be supplemented with anti-bribery and corruption training for any employees in a position of authority and/or a role deemed to be high risk from an anti-bribery and corruption perspective.

Thank you for your support and commitment.



**Simon Harris**  
Group Chief Financial Officer

## Introduction

The Company is committed to the highest standards of ethical conduct and integrity in its business activities in the UK, continental Europe and overseas. This must be reflected in every aspect of the way in which we operate and we recognise that this requires the Company to:

- Comply with all the applicable laws, rules and regulations **in all countries** where we operate.
- Act with honesty, integrity and transparency at all times.
- Conduct our business relationships in an ethical and lawful manner.
- Create and maintain a rigorous and effective framework for dealing with any suspected instances of bribery or corruption.
- Encourage a climate where employees know that, provided they acted in good faith, they will be supported if they report suspicious or questionable activity.

## Scope of this ABC Policy

This ABC Policy applies to all employees and officers of the Company. It also applies, but is not limited to, temporary workers, consultants, contractors, sub-contractors, agents, sub-agents, sponsors, joint-venture partners, advisors, customers, suppliers or other third parties' agents and subsidiaries ("associated persons") acting for, or on behalf of, the Company within the UK, continental Europe and overseas.

This policy covers:

- the main areas of liability under the UK Bribery Act 2010 (the "Bribery Act");
- the responsibilities of employees and associated persons acting for, or on behalf of, the Company;
- the consequences of any breaches of this ABC Policy; and
- the implementation of the ABC Policy.

## What is bribery?

Bribery is i) the offer, promise or giving; or ii) the demanding or acceptance of a financial or other type of advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Acts of bribery are designed to influence an individual in the performance of their professional duties and persuade them to act dishonestly and/or perform their duties improperly. For the purposes of this ABC Policy it is irrelevant whether the benefactor or recipient of the act of bribery works in the public or private sector.

## What is a bribe?

A bribe can take many different forms, but typically it involves corrupt intent.

The bribe might be cash, a gift or other inducement to, or from, any person or company, whether a public or government official, official of a state-controlled industry, political party or a private person or company, regardless of whether the employee or associated person is situated in the UK, continental Europe or overseas.

Bribery is a criminal offence in almost all countries in which the Company operates, and penalties can be severe.

In the UK, a criminal offence will be committed under the Bribery Act if:

- an employee or associated person acting for, or on behalf of, the Company offers, promises, gives, requests, receives or agrees to receive bribes; or
- an employee or associated person acting for, or on behalf of, the Company offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of his/her duties (where local law does not permit or require such influence).

## What is prohibited?

The Company has zero tolerance of and prohibits its employees or associated persons from:

- offering, promising, giving, soliciting or accepting any bribe, regardless of whether the employee or associated person is situated in the UK, continental Europe or overseas. This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance;
- making donations to political parties on behalf of the Company; or

- making or accepting any "facilitation payments". These are payments made to government or public officials for carrying out or speeding up routine procedures. They are more common overseas. Facilitation payments are distinct from an official, publicly available fast-track process. The Bribery Act makes no distinction between facilitation payments and bribes, regardless of size or local cultural expectations, even if that is "how business is done here". Facilitation payments, or offers of such payments, will constitute a criminal offence by both the individual concerned and the Company, even where such payments are made or requested overseas. Employees and associated persons are required to act with greater vigilance when dealing with government procedures overseas; or
- offering or accepting kickbacks, which are typically payments made in return for a business favour or advantage; or
- engaging in corruption activities, which means abuse of entrusted power or position for private gain; or
- engage in any other activity that might lead to a breach of this policy.

## **What steps can we take to prevent bribery?**

If the Company does not have the defense that it has "adequate procedures" in place to prevent bribery by its employees or associated persons, then it will be held liable for any such acts by those working for the Company or on its behalf, no matter where the act takes place.

We can take the following steps to assist in the prevention of bribery and corruption and to ensure that the Company has the "adequate procedures" in place.

### **a) Risk assessment**

Effective risk assessment lies at the very core of the success or failure of this ABC Policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. The Company recognises that business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular country and that what is considered unacceptable in one region may be normal or usual practice in another. Local Management must assess the vulnerability of each business unit to these risks on an ongoing basis, subject to review by Divisional Directors / Local Finance Officers, the Group Head of Legal, Group Head of Risk & Internal Audit and the Group CFO.

### **b) Maintenance of accurate books and record-keeping**

Many serious global bribery offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting with all business units and for significant business partners working on the Company's behalf. Our books, records and overall financial reporting must accurately reflect each of the underlying transactions. Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

All accounts, receipts, invoices and other documents and records relating to dealings with third parties must be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off the record" to facilitate or conceal improper payments. False, misleading or inaccurate records of any kind could potentially damage the Company.

### **c) Effective monitoring and internal control**

Our businesses must all maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programme in order to help mitigate these risks on an ongoing basis.

Each Divisional Director / Local Finance Officer must ensure that Local Management engages in effective risk assessment and implements the necessary steps to prevent bribery and corruption. As these steps will vary by geography and business unit, Divisional Directors / Local Finance Officers should consult with the Group Head of Legal, Group Head of Risk & Internal Audit or Group CFO, who will make available guidelines, principles and methodologies for the identification, mitigation and monitoring of these risks.

## **Where do bribery and corruption risks typically arise?**

Bribery and corruption risks typically fall within the following categories:

### **a) Working overseas and/or across borders**

The further outside the main western economies that employees and associated persons conduct business on behalf of the Company, the greater the possible risk of being exposed to bribery or unethical business conduct. Employees and associated persons owe a duty to the Company to be extra vigilant when conducting international business.

In particular, when transporting goods and machinery across borders, specific attention must be paid to the potential for customs officials, the police and other public officials to solicit small-scale facilitation payments to allow goods to pass from one country to another. Such payments are not tolerated by the Company and must not be made under any circumstances (save for instances in which an employee's personal safety is in jeopardy).

**b) Use of business partners**

Business partners could include agents, distributors, vendors, joint-venture partners or suppliers who act on behalf of the Company. The Company recognises that, especially in short time-frames, the Company may never have met the business partner with which it is dealing. Therefore, whilst the use of business partners can help us attain our goals, we need to be aware that these arrangements can potentially represent a significant risk to the Company.

The Company will raise awareness of the need to combat bribery and corruption with its business partners by publication of this ABC Policy and (where appropriate) insistence on the use of relevant contractual provisions designed to reduce the risk of bribery and corruption.

Risk can be identified where a business partner conducts activities on the Company's behalf. Where risk regarding a business partner arrangement has been identified, Local Management, in conjunction with their Divisional Director, must:

- Evaluate the background, experience and reputation of the business partner.
- Understand the services to be provided, and methods of compensation and payment.
- Evaluate the business rationale for engaging the business partner.
- Take reasonable steps to monitor the transactions of business partners appropriately.
- Ensure there is a written agreement in place which acknowledges the business partner's understanding and compliance with this ABC Policy.

The Company is ultimately responsible for ensuring that business partners who act on our behalf are compliant with this ABC Policy as well as any local laws. As the business partner evaluation process will vary by business unit and type of business partners, Local Management and Divisional Directors should consult with the Group Head of Legal, Group Head of Risk & Internal Audit, and Group CFO, where necessary.

**Corporate entertainment, gifts, hospitality and promotional expenditure**

The Company permits acceptable corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- for the purpose of establishing or maintaining good business relationships;
- to improve the image and reputation of the Company; or
- to present the Company's services effectively;

The Company will approve business entertainment proposals only if they demonstrate a clear business objective, are proportionate, are justifiable and are appropriate for the nature of the business relationship. The Company will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

This principle applies to employees and associated persons, whether based in the UK, continental Europe or overseas.

**How to assess what is 'acceptable':**

Employees and associated persons should ask themselves the following:

- What is the intent – is it to build a relationship or something else?
- How would this look if these details were on the front page of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If it is difficult to answer one of the above questions, there may be a risk involved which could potentially damage the Company's reputation and business.

Although no two situations are the same, the following guidance should be considered globally:

**Usually acceptable** – possible circumstances that are usually acceptable to the Company include:

- Modest/occasional meals with someone with whom we do business.
- Occasional attendance at ordinary sports, theatre and other cultural events.
- Gifts of nominal value, such as a bottle of wine, pens or small promotional items.

**Never acceptable** – examples of circumstances which are never acceptable to the Company include, but are not limited to:

- A 'quid pro quo' (offered for something in return).
- Gifts in the form of cash/or cash equivalent vouchers.
- Entertainment of a sexual or similarly inappropriate nature.

A variety of cultural factors such as customs, currency and expectations may influence the level of acceptability. If there are feelings of uncertainty at any time regarding cultural acceptability of gifts, entertainment or hospitality, then the Group Head of Legal, Group Head of Risk & Internal Audit or Group CFO should be consulted.

All gifts given or received with a value of more than £100 must be reported to the Group Head of Legal. This also extends to any entertainment over the value of £250, which includes, but is not limited to, invitations to all events (including sporting or travel). Any gift or entertainment over the above limits will not preclude its giving or acceptance but prior approval from the Group Head of Legal must be sought.

A register of gifts and hospitality will be kept and monitored.

## Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for the Company and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for the Company, you must report them promptly using the procedure set out in section "How to raise a concern" of this ABC Policy:

- you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- a third-party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third-party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third-party requests that a payment is made to "overlook" potential legal violations;
- a third-party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- you are offered an unusually generous gift or offered lavish hospitality by a third party.

## Charitable and political donations

The Company considers that occasional modest charitable giving can form part of a Company's wider commitment and responsibility to the community. Employees and associated persons are not permitted to make any charitable donations to organisations on behalf of the Company without first obtaining the prior approval of their Divisional Director or the Group CFO.

The Company prohibits the giving of donations on its behalf to any political parties.

## Local adaptation

In order for this ABC Policy to be effective, it is necessary for it to be applied across the Group (always additionally ensuring full compliance with local laws) and taking into consideration the diverse cultural environments in which the Company operates. This may require each business unit to adapt certain sections of this ABC Policy – such as gifts, entertainment and hospitality – to ensure they are fair, appropriate and applicable.

Local Management, in conjunction with Divisional Directors, are responsible for reporting or confirming any local adaptations to this ABC Policy with the Group CFO.

## How to raise a concern

The Company depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are requested to assist the Company and to remain vigilant in preventing, detecting and reporting bribery, and also any other suspicious activity or wrongdoing.

If employees and associated persons are concerned that a corrupt act of some kind is being considered or carried out, either within the Company or by any of its business partners, the issue /concern must be reported to the Local Manager, who should then report it to the Divisional Director as soon as possible. If appropriate, the Group CFO should also be informed. If for some reason it is not possible for such a declaration to be made to the Local Manager or Divisional Director, then it should be reported directly to the Group CFO.

An instruction to cover up wrongdoing is itself a disciplinary offence. If told not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent.

If employees or associated persons are not comfortable raising their concerns directly to anyone mentioned above, then the concern should be reported via the Whistleblowing hotline/ online portal (see Whistleblowing policy).

Beck & Pollitzer is committed to maintaining a culture of openness, transparency and accountability, in which all employees and associated persons are encouraged to raise concerns about any suspected act of bribery, corruption or other unethical behaviour. In addition to the procedure set out in this ABC Policy, concerns may also be raised **anonymously** through the **Whistleblowing Hotline or Online Portal**, which is accessible in all languages relevant to the countries in which the Company operates. All reports made in good faith will be treated in the strictest confidence and investigated promptly, whether or not the individual has chosen to disclose their identity.

This ABC Policy also forms an integral part of the Company's wider **Fraud Prevention and Ethics Framework**, which is designed to prevent, detect and respond to all forms of financial misconduct and unethical behaviour. This framework supports the Company's commitment to full compliance with the forthcoming **UK "Failure to Prevent Fraud" legislation**, ensuring that effective systems, controls and training are in place to mitigate fraud and corruption risks across all operations. Responsibility for the oversight of this framework rests with the Group CFO, in conjunction with the Group Head of Risk & Internal Audit and the Group Head of Legal.

## Action by the Company

Any such reports will be thoroughly and promptly investigated by the Local Manager or Divisional Director in the strictest confidence. Employees and associated persons will be required to assist in any investigation into possible or suspected bribery. Employees will also be required to comply with the Company's whistleblowing policy.

Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. The Company will invoke its disciplinary procedures where any employee is suspected of bribery.

Employees or associated persons who report instances of bribery in good faith will be supported by the Company even if they turn out to be mistaken. The Company will ensure that the individual is not subjected to detrimental treatment as a consequence of his/her report. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence.

## Sanctions for breach of this ABC Policy

A proven breach of any of the provisions of this ABC Policy by an employee will constitute a disciplinary offence and will be dealt with in accordance with the Company's disciplinary procedures at local level. Depending on the gravity of the offence, it may be treated as gross misconduct and could render the employee liable to summary dismissal.

As far as associated persons are concerned, a breach of this ABC Policy could lead to a suspension or termination of any relevant contract, sub-contract or other agreement.

## Implementation of this ABC Policy

Responsibility for the compliance of the Company and its employees with this ABC Policy lies ultimately with the Board. Performance will be reported to the Board annually, by the Group Head of Risk & Internal Audit or the Group CFO.

Responsibility for the implementation of this ABC Policy lies with the Divisional Directors. They will work with the Local Managers who are responsible for the day-to-day implementation of the ABC Policy. All Divisional Directors and Local Managers will receive anti-bribery and corruption training and it will be their responsibility to make sure that their staff are aware of what is permitted and what is prohibited by this ABC Policy.

Moreover, all Company employees who receive anti-bribery and corruption training will also be asked to sign a certification, confirming that they have read and understood the contents of this ABC Policy.

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## **Monitoring compliance**

The Group CFO, in conjunction with the Group Head of Legal and the Group Head of Risk & Internal Audit, will monitor and review the implementation and effectiveness of this ABC Policy and related procedures on a regular basis, including reviews of internal financial systems, expenses, and expenditure in respect of corporate hospitality, gifts and entertainment.

Employees and those working for, or on behalf of, the Company are encouraged to provide the Group CFO with any suggestions, comments or feedback that they may have on how these procedures may be improved.

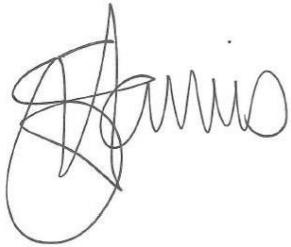
The Company reserves the right to amend and update this ABC Policy as required. For the avoidance of doubt, this ABC Policy does not form part of employees' contracts of employment.

## **Your responsibilities**

You must ensure that you read, understand and comply with this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify as described in section "How to raise a concern" of this ABC Policy as soon as possible if you believe or suspect that a conflict with this policy has occurred or may occur in the future.

A handwritten signature in black ink, appearing to read "Simon Harris".

**Simon Harris**  
Group Chief Financial Officer