

British Engines Group Anti-corruption and Bribery Policy

1. Policy statement

- 1.1 British Engines Limited (**Company**) and all of its subsidiaries (**Group**) conduct all business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter bribery and corruption.
- 1.2 We take our legal responsibilities very seriously. We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

2. About this policy

- 2.1 The purpose of this policy is to:
- (a) set out our responsibilities, and of those working for and on the Group's behalf, in observing and upholding our position on bribery and corruption; and
 - (b) provide information and guidance to those working for and on the Group's behalf on how to recognise and deal with bribery and corruption issues.
- 2.2 This policy does not form part of any contract of employment or other contract to provide services, and we may amend it at any time.

3. Who this policy applies to

This policy applies to all persons working for the Group or on its behalf in any capacity within the UK and overseas. This includes employees at all levels, directors and officers of the Group as well as agency workers, temporary workers, seconded workers, volunteers, interns, agents, external consultants, contractors, third-party representatives and business partners acting for, or on behalf of, the Group (**associated persons**). Every employee and associated person acting for, or on behalf of, the Group is responsible for maintaining the highest standards of business conduct.

4. Responsibility for the policy

- 4.1 The board of directors of the Company (**Board**) has overall responsibility for ensuring this policy complies with the Group's legal and ethical obligations, and that all those under its control comply with it. The Group company secretary (**Company Secretary**) has primary and day-to-day

responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about it, and auditing internal control systems and procedures to ensure they are effective in countering bribery and corruption.

4.2 Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it and the issues of bribery and corruption. Line managers have day-to-day responsibility for this policy and you should refer any questions about this policy to them in the first instance. They will involve the Company Secretary where appropriate.

4.3 This policy is reviewed continually by the Company Secretary.

5. Definitions

5.1 **Bribery** is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

(a) An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

(b) A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine and employers that fail to prevent bribery can face an unlimited fine, exclusion from tendering for public contracts, and damage to its reputation.

5.2 **Corruption** is the abuse of entrusted power or position for private gain.

5.3 **Facilitation payments**, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). They are not common in the UK, but are common in some other jurisdictions.

5.4 **Kickbacks** are typically payments made in return for a business favour or advantage.

5.5 **Third party** means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

6. **What you must not do**

It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- (c) accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return;
- (d) offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of either your line manager, your Chief Executive Officer or the Company Secretary;
- (e) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any other activity that might lead to a breach of this policy.

7. **Facilitation payments and kickbacks**

7.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. See clause 5 for definitions of these terms.

7.2 You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted. If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your line manager, your business Chief Financial Officer/management accountant or the Company Secretary.

8. Working Overseas

- 8.1 Employees and associated persons conducting business on behalf of the Group outside the UK may be at greater risk of being exposed to bribery or unethical business conduct than UK based employees. Employees and associated persons owe a duty to the Group to be extra vigilant when conducting international business.
- 8.2 Any suspicions of bribery should be reported to either the individual's line manager, a member of the Group HR Department or the Company Secretary. Employees and associated persons are required in particular to report:
- (a) close family, personal or business ties that a prospective agent, representative or joint-venture partner may have with government or corporate officials, directors or employees;
 - (b) requests for cash payments;
 - (c) requests for unusual payment arrangements, for example via a third party;
 - (d) requests for reimbursements of unsubstantiated or unusual expenses; or
 - (e) a lack of standard invoices and proper financial practices.
- 8.3 If an employee or associated person is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to either the individual's line manager, a member of the Group HR Department or the Company Secretary.

9. Gifts, hospitality and expenses

- 9.1 This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of:
- (a) establishing or maintaining good business relationships;
 - (b) improving or maintaining our image or reputation; or
 - (c) marketing or presenting our products and/or services effectively.
- 9.2 The giving and accepting of gifts is allowed if the following requirements are met:
- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
 - (b) it is given in our name, not in your name;
 - (c) it does not include cash or a cash equivalent (such as gift certificates or vouchers);

- (d) it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value. For example, in the UK it is customary for small gifts to be given at Christmas;
 - (e) it is given openly, not secretly; and
 - (f) it complies with any applicable local law.
- 9.3 Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.
- 9.4 Reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.
- 9.5 We appreciate that practice varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.
- 9.6 Employees and, where relevant, associated persons should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to their line manager.
- 9.7 The Group will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. The Group 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.
- 9.8 If an employee or associated person wishes to provide gifts to suppliers, clients or other business contacts, prior approval from the individual's line manager is required.

10. Charitable and Political Donations

- 10.1 We consider that charitable giving can form part of the Group's wider commitment and responsibility to the community. We support a number of charities that are selected in accordance with objective criteria, following a risk assessment. We may also support fundraising events involving employees.

11. Record-keeping

- 11.1 Employees and, where applicable, associated persons, are required to take particular care to ensure that all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

12. Responsibilities

- 12.1 Each person that this policy applies to must ensure that they read, understand and comply with this policy.
- 12.2 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. Each employee and associated person is required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 12.3 Employees and associated persons must notify their line manager, the HR representative for their business or the Company Secretary as soon as possible if they believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers something to gain a business advantage with us, or indicates that a gift or payment is required to secure their business.

13. How to raise a concern

- 13.1 Employees and associated persons are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
- 13.2 Anyone who is offered a bribe, or is asked to make one, or who believes or suspects that any bribery, corruption or other breach of this policy has occurred or may occur, must notify their line manager, the HR representative for their business or the Company Secretary or report it in accordance with our Whistleblowing Policy as soon as possible.
- 13.3 If anyone is unsure about whether a particular act constitutes bribery or corruption, they should it with their line manager, the HR representative for their business or the Company Secretary.

14. Protection

- 14.1 Individuals who refuse to accept or offer a bribe, or who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

14.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If anyone believes that they have suffered any such treatment, they should inform the Company Secretary immediately. If the matter is not remedied, employees should raise it formally using our Grievance Procedure, which is available in the document management area of IFS and on the intranet.

15. Training and communication

15.1 Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

15.2 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.

16. Breaches of this policy

16.1 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

16.2 We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.