



Anti-Corruption and Bribery Policy



1. Policy statement

1. It is the Company's policy to conduct all of its 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 our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery.
2. We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. We are bound, furthermore, by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
3. The purpose of this policy is to:
 - (a) set out our responsibilities, and of those working for and with us, in observing and upholding the Company's position on bribery and corruption; and
 - (b) provide information and guidance to those working for and with us on how to recognise and deal with bribery and corruption issues.

This policy, together with its implementation and review, forms part of the Company's Anti-corruption and Bribery Procedures.
4. Under the UK Bribery Act, bribery and corruption are punishable for individuals by up to ten years' imprisonment and if the Company is found to have taken part in corruption it could face an unlimited fine, be excluded from public tendering exercises and face damage to its reputation. We therefore take our legal responsibilities very seriously.
5. In this policy, 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 service providers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

2. Who is covered by the policy?

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as **personnel** in this policy).

3. What is bribery?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. Examples:

- **Offering a bribe**
In a competitive farm-in opportunity, you offer tickets to a major sporting event to an individual working for the financial adviser to the farmor, but on the understanding that you will get access to competitive bid information. This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made in order to secure business for us. It would also be an offence for the adviser to accept your offer.
- **Receiving a bribe**
A service company gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we do or continue to do business with them. It is an offence for the service company to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.
- **Bribing a foreign official**
You arrange for the business to pay a sum to a foreign official to induce him to influence a contract award process in the Company's favour. The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

4. Gifts and hospitality

1. This policy does not prohibit reasonable and appropriate hospitality (given and received) to or from third parties and which is consistent with practices generally in our business.

We appreciate that the practice of giving business gifts 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 or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.

And also the context in which it is offered: for example, if at the time the gift is offered, the Company is considering doing a particular piece of business that may involve the third party – e.g. a tendering exercise.

Below we set out certain guidelines with respect to the giving and receiving of gifts and hospitality. A register is maintained at the Company's head office and all other business locations for the recording of all gifts given or received over a certain estimated minimum value and also for the recording of hospitality received in excess of a certain estimated minimum.



The Chief Executive Officer shall be responsible for determining from time to time the appropriate thresholds.

2. Where acceptable

The giving or receipt of gifts is not prohibited 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 complies with local law;

(c) it is given in our name, not in your name;

(d) it does not include cash or a cash equivalent (such as gift certificates or vouchers);

(e) it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;

(f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time and in any event does not exceed limits from time to time determined by the CEO;

(g) it is given openly, not secretly.

The offering or receiving of gifts or hospitality over the limit referred to in paragraph 4.2(f) requires the prior approval of the CEO as appropriate.

Public Officials:

- i. Gifts and hospitality should **NOT** be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the CEO.
- ii. Gifts and hospitality offered to, or accepted from, public officials such as meals, invitations to sporting events can be acceptable when offered/received in the context of an ongoing relationship or by way of introducing the Company and where appropriate in nature.

b. What is not acceptable?

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) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- (c) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- (d) engage in any activity that might lead to a breach of this policy.

3. Facilitation payments and kickbacks

- a. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions. Examples of common facilitation payment scenarios:
 - i. Scenario 1: You arrive at an airport in a foreign country for a business meeting starting in one hour. At passport control you are requested to pay a \$100 "entry expedition fee". Your papers are in order and you have the correct visa. When you refuse, the customs officer indicates that you should join the back of a slow moving queue of what looks like about 150 people.
 - ii. Scenario 2: You are travelling to a foreign country to visit a potential customer. At a border crossing, for which you have the relevant papers, a soldier demands a £500 "entry tax".
 - iii. Scenario 3: Your warehouse is on fire. The local fire brigade attend but say it is a "\$5000 fire".
- b. **Facilitation fee vs Premium Services Fee or Administration Fee.** A payment made to speed up a process or make the obtaining of, say, a permit may not necessarily constitute a facilitation payment. The payment is less likely to be regarded as a facilitation payment if (i) it is payable to an organisation as opposed to an individual and (ii) a receipt for the payment is received.
- c. It is Company policy not to make, or accept, facilitation payments and you should resist an attempt to make such a payment. However, it is recognised that in some circumstances in order to be able to do business a small exceptional payment may be required; and further that a facilitation payment is acceptable in circumstances where there is a perceived risk to persons or property. If you are asked to make a payment, 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 and all payments are required to be recorded/accounted



for. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the CEO.

- d. A register of facilitation payments will be maintained at the local Serica office. An annual return is made from each business to Serica Head office of the facilitation payments made by the business.
- e. Kickbacks are typically payments made in return for a business favour or advantage. All personnel must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

4. Donations

We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the CEO .

5. Your responsibilities

- a. You must ensure that you read, understand and comply with this policy.
- b. 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. All personnel are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- c. You must notify a member of the Executive (or, if for any reason you feel uncomfortable raising the issue with the before-mentioned, then with the Chair of the Audit Committee) as soon as possible if you 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 you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Schedule.
- d. Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with non-employees if they breach this policy.

6. Record-keeping

- a. We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- b. You must declare and enter in the relevant register (see paragraph 4.1) a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

- c. You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- d. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

7. How to raise a concern

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your manager or the Chief Executive Officer.

8. What to do if you are a victim of bribery or corruption

It is important that you tell a member of the Executive, as appropriate, as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

9. Protection

- a. Personnel who refuse to accept or offer a bribe, or those 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.
- b. 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.

10. Training and communication

- a. Where desirable, training on this policy shall form part of the induction process for new personnel. All existing personnel will be apprised of this policy and where appropriate receive regular, relevant training on how to implement it.
- b. 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.

11. Who is responsible for the policy?

- a. The Board of directors of Serica plc has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- b. The Senior Management of the businesses have responsibility for implementing this policy and the Chief Executive Officer has responsibility for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it, where appropriate.

12. Monitoring and review

- a. The Board has allocated to the Audit Committee the responsibility for the periodic review of this policy's fitness for purpose and the effectiveness of its implementation. Any improvements identified will be introduced as soon as possible. Internal control systems and procedures will be subject to regular audits to ensure that they are effective in countering bribery and corruption.
- b. All personnel are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing. Personnel are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Chief Executive Officer.
- c. Schedule Potential risk scenarios: "red flags"

The following is a list of possible red flags that may arise during the course of you working for us 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 us, you must report them promptly to your manager or to the Chief Executive Officer:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) 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 public officials (Ministry of Energy/State Oil Company etc);



- (c) 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;
- (d) 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;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) 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;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party

