

Anti-corruption and bribery policy

1 Introduction

- 1.1 It is our policy to conduct all of our 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.
- 1.2 Board Members and officers at all levels will lead by example in ensuring adherence to legal requirements, contracts procedure rules, financial procedure rules and codes of conduct. We are committed to developing risk management, practices that minimise the risk of fraud, bribery and corruption. However we recognise that even with good practices in place, incidents of fraud and criminal activity may arise and therefore all employees are encouraged to be vigilant and to report any suspected fraud, bribery and corruption promptly to an appropriate manager or senior officer of the Company.
- 1.3 We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.
- 1.4 The purpose of this policy is to:
 - (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
 - (b) provide information and guidance to those working for us (including contractors or sub-contractors) on how to recognise and deal with bribery and corruption issues.
- 1.5 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for public contracts, our Directors could be disqualified and we could face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.6 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 clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisers, representatives and officials, politicians and political parties.

2 Who is covered by this policy?

- 2.1 This policy directly applies to all employees of the Source BioScience group and all of the companies within the Group. Briefly, that encompasses: all individuals working at all levels and grades, including senior managers, officers, Directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, sub-contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, as well as any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as workers in this policy). The policy also refers to a

reporting procedure for third parties who wish to report an allegation of bribery or corruption.

3 **What is bribery?**

3.1 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

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us.

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 to obtain business for us. It may also be an offence for the potential client to accept your offer.

Receiving a bribe

A supplier 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 continue to do business with them.

It is an offence for a supplier 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 an additional payment to a foreign official to speed up an administrative process, such as clearing our products through customs.

The offence of bribing a foreign public official has been committed as soon as the offer is made (regardless of whether the bribe is accepted or anything of any value changes hands). 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**

4.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties.

4.2 The giving or receipt of gifts is not prohibited, if the following requirements are met:

- (a) The value of the gift does not exceed £100;
- (b) 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;
- (c) it complies with local law;

- (d) it is given in our name, not in your name;
- (e) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (f) it is appropriate in the circumstances. For example, in the UK it would be customary and acceptable under this policy for small gifts to be given at Christmas time or as part of a routine marketing campaign;
- (g) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- (h) it is given openly, not secretly; and
- (i) gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the Chief Executive Officer ("CEO").

Gifts or hospitality falling outside of these limits might still be acceptable but must be approved the CEO.

4.3 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 and complies with the ethos of this policy and the overriding legislation. The intention behind the gift should always be considered.

5 **What is not acceptable?**

5.1 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, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- (c) accept payment from a Third Party that you know or suspect is offered with the expectation that it will obtain a business advantage for the Third Party;
- (d) accept a gift or hospitality from a Third Party if you know or suspect is offered or provided with an expectation that a business advantage will be provided by us in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

6 **Facilitation payments and kickbacks**

6.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. 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.

- 6.2 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.
- 6.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

7 Donations

- 7.1 We do not make contributions to political parties. We may make charitable donations but do not make charitable donations to charities that we are aware, may be 'favoured' by any Third Party. No donation may be offered or made without the prior approval of the CEO. Any donations made by the Company are legal and ethical and shall be publically disclosed within the Annual Report and Accounts.
- 7.2 At the Company's discretion, workers shall be allowed to submit an email circular to colleagues (subject to prior review and approval by HR) to invite colleagues to sponsor them where the worker is to undertake a merit-worthy endeavour (by way of example, a sporting event/challenge) and is seeking to raise funds for a charity of their choice in association with the endeavour.

8 Potential risk scenarios: "red flags"

- 8.1 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 line-manager OR to an HR representative:
- (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 government officials;
 - (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.

9 Your responsibilities

- 9.1 You must ensure that you read, understand and comply with this policy.
- 9.2 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. All staff are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 9.3 You must notify your line-manager OR a representative of HR as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. Concerns will normally be expected to be raised by you in writing or by emailing one of the officers named in the Whistle blowing Policy (which includes any main Board Director of the Company or one of the two nominated Advisors of the Company (currently the Finance Director and the HR and Legal Director)).
- 9.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve the right to terminate our contractual relationship with other workers if they breach this policy.

10 Record-keeping

- 10.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 10.2 You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.
- 10.3 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.

- 10.4 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.

11 **How to raise a concern**

- 11.1 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 line-manager or a representative of HR. In all other eventualities the following constitutes the Company's reporting procedures:-

- (a) You may report an incident to the Company's Directors under the Company's Whistle Blowing Policy a copy of which can be found on any of our company websites
- (b) Third Parties may report an incident by writing to any Director of the Company. Letters should be addressed to the named Director and sent care of the Company's head office address in Nottingham. Envelopes should be marked as "Personal" as this will ensure that the letter is only opened by the named Director.
- (c) Anyone may report an incident within the UK directly to the Police or the most relevant external agency for example, the Serious Fraud Office <http://www.sfo.gov.uk/>

12 **What we will do if we receive your complaint**

- 12.1 Upon receipt of a complaint we will open a file and carry out an investigation. If you have provided us with your contact details, we will write to you to acknowledge receipt of your complaint and an investigating officer will be nominated from amongst the Directors, the choice of investigating officer will depend on the circumstances of the allegation and will be chosen to avoid any potential conflict of interest.

13 **Investigation**

- 13.1 Depending on the nature of the allegation the investigating officer will work closely with the Company's Internal Audit Team, Human Resources and such other agencies (for example, the Police) as might be necessary to ensure that the allegations and evidence are properly investigated and reported upon. The investigating officer will:-

- (a) Deal promptly and confidentially with the matter;
- (b) Record all evidence that has been received;
- (c) Ensure that evidence is sound and adequately supported;
- (d) Make secure all of the evidence that has been collected, including electronic evidence;
- (e) Where appropriate, contact and involve other third party agencies (for example, the Police or Serious Fraud Office);

(f) If appropriate, arrange for the notification of the Company's insurers;

13.2 Report to the Internal Audit Team and where appropriate, recommend that the Company's management take disciplinary action in accordance with the Company's Disciplinary Policy and make any necessary revisions to systems and procedures to ensure that similar frauds do not recur.

13.3 The Company's Disciplinary procedures will be used where the outcome of the investigation indicates improper conduct. Such circumstances may lead to dismissal.

14 **Outcomes and Redress**

14.1 Where the outcome of investigation is the discovery of a fraud, management will take action to ensure that any control weaknesses which provided the opportunity for this are addressed. This may lead to training, change of process, change of contractual terms, dismissal of an employee, retraction of an offer of employment (where the individual has recently been offered employment with the Company), and termination of a contract with a third party provider or supplier. Where a financial impropriety is discovered, whether perpetrated by employees, workers or third parties the Company deals with, the probable outcome will be that the Company refers the matter on to the Police; such referral is a matter for the Chief Executive Officer and the Internal Audit Team.

15 **What to do if you are a victim of bribery or corruption**

15.1 It is important that you tell your line-manager or a representative of HR 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.

16 **Protection**

16.1 Workers 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.

16.2 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 you believe that you have suffered any such treatment, you should inform your line-manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

17 **Training and communication**

Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.

Our zero-tolerance approach to bribery and corruption will be communicated to all suppliers, contractors and business partners in the course of our business relationship with them.

This policy will be regularly reviewed for beneficial update and improvement.