

Wilmington Anti-Bribery and Corruption Policy Standard

Effective Date : June 2012

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1. Executive Summary

Bribery involves offering, promising or giving an advantage, (financial or other), to an individual in order to induce that individual to perform an improper action. It also involves the demanding of such an inducement.

Wilmington plc ('the Company') is committed to conducting **all** of its business in an honest and ethical manner. **It adopts an unequivocal zero-tolerance approach to bribery and corruption in any form**, and is committed to acting transparently, professionally, fairly and with integrity in all business dealings and relationships, wherever it operates.

The Company will not permit any employee, or anyone acting on its behalf, to give, accept, offer, solicit, or promise a bribe or solicitation payment, regardless of the amount involved. This includes any kind of facilitation (or 'kickback') payment.

It is important to emphasise that corruption results in significant harm to societies and individuals alike. Legislation designed to combat bribery and corruption is now in place in most jurisdictions worldwide. Due to their extraterritorial reach, the two key pieces of legislation are widely considered to be the UK Bribery Act 2010 and the United States Foreign Corrupt Practices Act 1977 (FCPA).

Individuals may face up to ten years' imprisonment if they are found guilty of offences under the Bribery Act 2010. In addition, the Company could be liable for unlimited fines, be excluded from tendering for public contracts, and would suffer serious damage to its reputation if it was found to have been party to bribery and corruption, intentionally or not.

Organisations can themselves be held accountable for bribery and corruption undertaken by individuals working on their behalf, unless the organisation can demonstrate it has in place robust policies and procedures to prevent bribery and corruption.

Accordingly, the Company therefore takes its legal and moral responsibilities very seriously.

This policy outlines the responsibilities of the Company and those who work for it in relation to the prevention of bribery and corruption. It also provides guidance and information on recognising and addressing key issues.

Finally, it should be noted that bribery and corruption is inherently linked to **money laundering**, inasmuch as it creates 'criminal property' (benefits derived from an illegal source'), which then triggers potential liabilities under relevant anti-money laundering legislation.

2. Who this policy applies to

This policy applies to all individuals working for, or on behalf of the Company, at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with the Company, or its subsidiaries or their employees, wherever they may be located.

All individuals are responsible for adherence to, and implementation of, this policy.

You are expected to familiarise yourself with the policy and act in accordance with it at **all times**.

Any employee who breaches this policy **will** face disciplinary action, which could result in dismissal for gross misconduct. For other individuals and organisations, the Company may terminate any contractual relationship in response to any breach, or suspected breach, of this policy.

This policy does not form part of your contract and may be amended by the Company at any time.

3. Who is Responsible

As detailed above, all individuals acting for, or on behalf of the Company are responsible for adherence to this policy. **Without exception.**

All those working for, or representing the Company, are responsible for the prevention, detection and reporting of bribery and other forms of corruption. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify the Company as soon as possible if you know or suspect that a breach of this policy has occurred, or may occur in the future.

For example, if a client, supplier or potential client or potential supplier offers you something to gain a business advantage, or indicates to you that a gift or payment is required to secure their business.

Each particular business within the Company is also expected to designate anti-bribery and corruption as an area of key importance, and adhere to the business requirements (assessment, monitoring and escalation) as detailed later in this document.

In terms of Governance, the policy is owned and endorsed at Company Board level. The Company's Board of Directors ('the Board') has overall responsibility for ensuring this policy complies with the Company's legal and ethical obligations, and that all those under the Company's control understand their own responsibilities in respect of this and comply with them.

The Board wish to reconfirm that the Company will not permit any employee, or anyone acting on its behalf, to give, accept, offer, solicit, or promise a bribe or solicitation payment, regardless of the amount involved. This includes any kind of 'facilitation' payment. The Board fully support the stance to adopt an unequivocal zero-tolerance approach to bribery and corruption in any form.

4. Key Considerations

4.1 Culture

A key element in establishing a robust anti-bribery and corruption framework is the establishment and reinforcement of a strong bribery and corruption averse culture within the Company.

This cultural emphasis will be led from the Top, with the anti-bribery and corruption message remaining a standing item on the agenda at Board meetings, as well as being communicated throughout the Company through risk based training events and media such as the Intranet.

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. Management have specific responsibilities to adhere to appropriate standards in the way they conduct themselves and to lead by example.

4.2 Training & Communication

A risk based anti-bribery and corruption training programme will take place within the Company. This means that the level and frequency of training may vary depending on the nature of the position held.

- All Company staff (including contractors) must be aware of the Company Standard in respect of bribery and corruption and the importance of adherence to this Standard
- Each business within the Company will appoint an anti-bribery and corruption Champion (ABC Champion). The ABC Champion will subsequently promote anti-bribery and corruption culture and controls within the business, and guide the particular business risk assessments and policies, including the identification of high risk individuals and/or counterparties
- All Company staff will undertake essential multi-media based anti-bribery and corruption training
- Any Company staff designated as being 'high risk' will be provided face to face training in bribery and corruption issues.
- Provisions will also be made for refresher training and the training of new staff.

The Company will also ensure that its **zero-tolerance** approach to bribery and corruption is communicated to all suppliers, contractors and business partners at the outset of any business relationship and as appropriate thereafter.

4.3 Risk Assessments

Risk Assessments are to be carried out by each business within the Company on a regular basis, **not less than annually**.

The risk assessment will not be on a prescriptive ('tick box') basis, but must include consideration of factors such as (but not limited to):

- Payments / transfers of value to agents, customers, vendors or third parties (particularly those with a Government official), such as entertainment, hosting, sponsorship, donations, commercial agreements or concessions.
- Contracts undertaken with third parties (firms or individuals) in respect of purchasing or sales with agents, intermediaries, consultants, suppliers, contractors or distributors.

The particular level of risk posed by a business relationship will directly influence the depth and regularity of the commensurate risk assessment.

The risk assessment will also consider the entries made into the anti-bribery and corruption registers, which should be maintained by the ABC Champions within each business, based on the information contained in Appendix A of this Standard.

The results of the risk assessments (both periodically and ongoing) will be escalated to the Board of the Company, for consideration at Board meetings.

4.4 Prohibited Conduct

You, or any connected party must not, and must not ask anyone else on your behalf to:

- give, promise to give, or offer, a payment, inducement, gift or hospitality with the expectation or hope that it will result in a business advantage arising from the improper performance of a relevant function or business activity;
- accept payment from a third party that you know or suspect is offered with the expectation that it will result in a business advantage in consequence of the improper performance of a relevant function or business activity;
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that it will result in a business advantage in consequence of improper performance of a relevant function or business activity by the Company;
- give, promise to give, or offer, a payment, inducement, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure;
- threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any activity that might lead to a breach of this policy.

4.5 Third Parties

The Company may be liable for third parties with whom it has a relationship, should they commit any act of bribery or corruption. The definition of a third party is broad. It covers individuals and organisations who perform services for the Company. It can include, but is not limited to, agents, distributors, consultations and joint venture partners and others who may commit bribery on the Company’s behalf.

For this reason, third parties who act on the Company’s behalf must be provided with a copy of this policy and be notified that they will be expected to operate in accordance with it.

In view of this, a standard paragraph is to be inserted into all third party contracts, detailing the Company's expectations and standards in respect of anti-bribery and corruption (see Appendix C). Human Resources can provide further support in this respect.

If you are instructing third party representatives to act on behalf of the Company you must bear in mind that they can potentially expose the Company to significant risks. You are responsible for ensuring that the necessary precautions are taken to minimise such risks. You should discuss appropriate steps with the business ABC Champion or the Group ABC compliance officer.

4.6 Hospitality, Gifts & Donations

The use of hospitality and gifts must be closely monitored.

This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties. Genuine hospitality and promotional activity (which aim to improve the image of the Company, improve presentation of products or services, or establish good relations) is not prohibited by the Bribery Act 2010 unless there is an intention to induce improper performance of an activity or function.

The giving or receipt of gifts is not prohibited provided:

it is not made with the intention of improperly influencing a person 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 and;

- it has the prior approval of a managing director;
- it complies with local law;
- it is given in the Company name, not in your name;
- it does not include cash or a cash equivalent (such as gift certificates or vouchers) unless in the normal course of business;
- it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time; and
- it is given openly, not secretly.

Gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of a managing director.

Approval procedures for the giving of gifts or hospitality are subject to the normal authorisation limits and procedures set out in the Financial Controllers Manual.

The Company only makes charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of a managing director.

All donations in excess of £1,000 must be reported to the Group ABC Compliance Officer. The process of making a donation should follow the same guidelines as those laid out above in respect of the value, nature and transparency.

4.7 Facilitation Payments ('kickbacks')

The Company does not make, and will not accept, facilitation payments or “kickbacks” of any kind. Facilitation payments are typically small, unofficial payments made, for example, to secure or expedite a government action by a government official.

They are not commonly paid in the UK, but are considered culturally acceptable in some other jurisdictions – a way of ‘getting things done’. Kickbacks are typically payments made in return for a business favour or advantage. Under UK law it is illegal to make or receive facilitation payments or kickbacks.

If you are asked to make a payment, you should consider what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should ask for a receipt which details the reason for the payment. If you have suspicions, concerns or queries regarding a payment, you should raise these with the ABC Champion within your business, and/or the Group ABC compliance officer.

You must avoid any activity that might lead to, or suggest, a facilitation payment or kickback will be made or accepted by the Company. It is not acceptable practice and will not be tolerated.

4.8 Record Keeping

The Company maintains accurate books, records and financial reporting. These records will be transparent and will accurately reflect each underlying transaction.

You **must** declare and keep a written record of all hospitality or gifts accepted or offered which are in excess of the amounts set out in the guidelines available (see Appendix B) .

All expense claims relating to hospitality, gifts or expenses incurred to third parties must be submitted in accordance with the Company expenses policy and specifically record the reason for the expenditure.

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.**

4.9 Monitoring

The compliance officer will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. This will include the effectiveness of the designated ABC Champions.

Any improvements identified will be made as soon as possible. Internal systems and controls will be subject to regular audits (annually at least) to provide assurance that they are effective in countering bribery and corruption.

The areas reviewed will include (but are not limited to):

- the progress of the training plan

- the usage and content of the gifts / hospitality registers
- third party controls, contracts and activities
- the cultural adoption of the anti-bribery and corruption agenda
- the volume and quality of management information generated
- the high risk contracts or transactions to which the Company was exposed within the review period.

As part of developing the anti-bribery and corruption culture within the Company, you are encouraged to comment on this policy and suggest ways in which it might be improved.

Comments, suggestions and queries should be addressed to the ABC Compliance Officer or to the ABC Champion within your business.

Monitoring Procedure:

The ABC Champions will monitor the maintenance of accurate records and prepare a monthly ABC report which will be sent to the compliance officer. If there is an incident to report this will be escalated to the board. At least twice yearly the compliance officer will conduct a risk assessment and audit of ABC records.

4.10 Reporting Concerns

You should raise concerns about any issue or suspicion relating to this policy as soon as possible. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should in the first instance be raised with the ABC Champion within your business, or, if for any reason you are uncomfortable, the Company Compliance Officer or the Whistleblowing Officer. You should follow the procedure contained in the Public Interest Disclosure (Whistleblowing) Policy.

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 you must report it as soon as possible.

Staff who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. The Company wishes 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.

You will not suffer any detriment if you refuse to take part in bribery or corruption, or if you report such conduct in good faith. If you believe that you have suffered any such treatment, you should inform the Human Resources Department immediately.

Appendix A

Guidance in respect of the Risk Based Approach to countering Bribery and Corruption

The Company has, by design, adopted a risk based approach to anti-bribery and corruption systems and controls.

A risk based approach allows resources to be focussed where required and encourages depth of thought around the issues involved, moving away from a traditional 'tick box' approach.

However, there are a number of key factors which influence the risk of exposure to bribery and corruption. These are detailed below (but are not exhaustive).

NB – it must be remembered that the assessment of risk is an **on-going activity**. It should take place at the commencement and throughout the course of a business relationship.

1. Jurisdiction

It is a fact that the jurisdiction within which your business takes place will affect the possibility of exposure to bribery and corruption.

As such, you need to be aware of this and make it a consideration in respect of risk assessment.

One of the most widely used tools for this purpose is the Transparency International Corruption Perception Index.

Transparency International (TI) is a non-governmental pressure group, which was established in 1993. It brings civil society, business, and governments together in a powerful global coalition. TI has an International Secretariat and more than 90 independent national chapters around the world, works at both the national and international level to curb corruption, raise awareness and advocate policy reform, and works towards the implementation of multilateral conventions. It monitors governments, corporations and banks.

TI assesses the scope and nature of corruption in the annual Corruption Perceptions Index (CPI) which is the leading measure of perceptions about corruption. The CPI ranks countries by perceived levels of corruption among public officials.

You can find the CPI at <http://issuu.com/transparencyinternational/docs/ticpi2011reportprint/1>

A score of 10 means there is no perceived corruption. A score of zero means that corruption is perceived to be rife. For the purposes of the assessment of risk, any business relationship undertaken by the Company, or by representative of the Company, in a jurisdiction which scores 5 or less on the CPI should be subject to additional scrutiny.

2. Nature of Relationship

The underlying individual(s) involved in the relationship must be considered.

Although the Company operates a blanket zero tolerance bribery and corruption policy, you should be aware that commencing a relationship with a body or individual from the public sector invariably carries with it a greater potential for exposure to the proceeds of bribery or corruption.

For additional information on Politically Exposed Person (PEP) risk, see the Financial Action Task Force (FATF) website at:

<http://www.fatf-gafi.org/>

This consideration of risk should also apply to any non-staff individual(s) representing the Company or acting on its behalf, in any capacity.

3. Volume & Value of gifts / hospitality

You **must** declare and keep a written record of all hospitality or gifts accepted or offered which are in excess of the amounts set out in the guidelines available (see Appendix B).

In assessing high risk there are two key concerns:

1. Value of payments / claims – even if infrequent, do they seem excessive or not satisfactorily explained?
2. Frequency of payments / claims – are smaller value amounts being regularly paid or claimed? Does this seem unreasonable? Are they marginally below reportable / approval levels?

Both of these factors can be classed as 'red flags' – incidents which may make you suspicious that inappropriate activity is taking place and individuals may be high risk (NB – they are not proof– there may be a valid explanation).

The presence of 'red flags' heighten the potential risk.

Appendix B

Receipt and Provision of Gifts and Hospitality

The following gifts and hospitality should be notified to the ABC Champion; within any particular business, who is responsible for ensuring a record is made in the Register of Gifts & Hospitality:

- a) ALL gifts with a value in excess of £50 either individually or in aggregate from any one party (or connected parties) in any financial year;
- b) ALL hospitality received by an individual which exceeds £100 per person; and
- c) ALL hospitality, excluding items reported in (b), from one party or connected parties (e.g. different representatives of the same organisation or connected organisations) which in aggregate exceeds £600 in any financial year.

As it will not be possible for the value of gifts and hospitality to be measured precisely, in the event of doubt over the value, the gift or hospitality should be reported.

The same values and procedures should apply in circumstances where gifts or hospitality (or other material benefit) are **provided** to an individual or entity in respect of a relationship involving the Company.

The Registers of Gifts and Hospitality should be submitted by the ABC Champions for review by the Group ABC Compliance Officer on a monthly basis.

ABC Champions must inform the Group ABC compliance officer and their line manager in respect of their receipt and provision of gifts and hospitality and a record must be made in the Register of Gifts and Hospitality.

APPENDIX C

Statement for inclusion in contracts:

Wilmington plc – Statement on Bribery and Corruption

Bribery involves offering, promising or giving an advantage, (financial or other), to an individual in order to induce that individual to perform an improper action. It also involves the demanding of such an inducement.

The Wilmington plc ('the Company') is committed to conducting all of its business in an honest and ethical manner. It adopts an unequivocal **zero-tolerance** approach to bribery and corruption in any form, and is committed to acting transparently, professionally, fairly and with integrity in all business dealings and relationships, wherever it operates.

The Company will not permit any employee, or anyone acting on its behalf, to give, accept, offer, solicit, or promise a bribe or solicitation payment, regardless of the amount involved. This includes any kind of facilitation (or 'kickback') payment.

Further information is contained in the Group ABC Policy Standard, which has been provided to you. If for any reason you have not received this document, please contact the Company as soon as possible. Whilst working on behalf of the Company, you are required to comply with the Standard at **all times**. This includes making a record of all gift / hospitality payments paid or received and supplying this information to the Company.

Appendix D

The following is an overview of the main provisions of the two key pieces of anti-bribery & corruption legislation.

The UK Bribery Act 2010

The Bribery Act 2010 that came into force on 1 July 2011. This legislation is regarded as one of those that most clearly reflects the provisions of the conventions and other international agreements in the context of anti-corruption.

There are four offences contained in the Act. They are essentially:

- offering, promising or giving a bribe
- requesting, agreeing to receive or accepting a bribe
- bribing a foreign public official
- failing to prevent bribery (a corporate offence)

Of these offences, it is the fourth which requires most attention by organisations.

An organisation risks prosecution if bribery is committed in a manner connected with its business by employees, managers or anyone working on its behalf. This includes anyone associated with the organisation, such as sub-contractors, agents, representatives or joint-venture parties, who are named in the Act as 'associated persons.'

Aside from the severe penalties (financial or imprisonment), there is the additional risk of being immediately disqualified from any EU public sector work. The overall effect of these offences is that not only does the person who engages in the corrupt practice face penalties, but so does the organisation - unless it can demonstrate it has produced and enforced a clear policy to prevent such activity.

The Ministry of Justice (MoJ) has issued guidance in respect of the Bribery Act. The guidance identifies six key principles:

- Risk Assessment
- High level commitment
- Appropriate due diligence
- Clear, practical and accessible policies and procedures
- Effective implementation
- Monitoring and review

While it is not implicitly stated, it must be assumed that following the Ministry's guidance and referring to it in relevant documentation would form part of any assertion that a business is attempting to be compliant.

The FCPA

The Foreign Corrupt Payments Act (FCPA) came into law in 1977 and was amended in 1998. The revised provisions criminalise acts not only by foreign persons acting within the US but also any corporation issuing securities through a US exchange.

In respect of basic prohibition, there are five key elements which must be met in order to constitute a violation of the Act:

- **Who.** The FCPA potentially applies to any individual, firm, officer, director, employee or agent of a firm and any stockholder acting on behalf of a firm. Individuals and firms may also be penalized if they order, authorize, or assist someone else to violate the anti-bribery provisions or if they conspire to violate those provisions.
- **Corrupt intent.** The person making or authorizing the payment must have a corrupt intent, and the payment must be intended to induce the recipient to misuse his official position to direct business wrongfully to the payer or to any other person.

NB – You should note that the FCPA does NOT require that a corrupt act succeed in its purpose. The offer or promise of a corrupt payment can constitute a violation of the statute.

- **Payment.** The FCPA prohibits paying, offering, promising to pay (or authorizing to pay or offer) money or anything of value.
- **Recipient.** The prohibition extends only to corrupt payments to a foreign official, a foreign political party or party official, or any candidate for foreign political office. A "foreign official" means any officer or employee of a foreign government, a public international organisation, or any department or agency thereof, or any person acting in an official capacity.
- **Business Purpose Test.** The FCPA prohibits payments made in order to assist the firm in obtaining or retaining business for or with, or directing business to, any person. The Department of Justice interprets "obtaining or retaining business" broadly, such that the term encompasses more than the mere award or renewal of a contract.

It should also be noted that the FCPA prohibits the use of intermediaries in the process of the facilitation of corrupt payments under the Act.

This means the FCPA applies to companies, people and their agents.

To be guilty of an offence the person who makes or authorises the payment must have the intention the payment will induce the receiver to abuse his official position, to the benefit of the payer's business interests. Payments are not limited to financial payments, but include anything of value and so could be taken to mean other types of 'gifts' such as holidays, jewellery or, for example, expensive sporting event tickets.

(source – the Lay Persons Guide to the FCPA -
<http://www.fcpaenforcement.com/explained/explained.asp>)