

British Engines Group Anti-bribery Policy

1. Aims and Objectives

The board of directors of British Engines Limited (**Company**) is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. This policy outlines the Company's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010 (**Bribery Act**).

The Company and its subsidiaries (**Group**) will not tolerate any form of bribery by, or of, their employees, agents or consultants or any person or body acting on their behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery.

2. Scope

This policy applies to all persons working for the Group or on its behalf in any capacity, including employees at all levels, directors and officers of the Group, and to 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**) within the UK and overseas. Every employee and associated person acting for, or on behalf of, the Group is responsible for maintaining the highest standards of business conduct.

Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the Group. The Group may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act. All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by the Company.

This policy covers:

- the main areas of liability under the Bribery Act;
- the responsibilities of employees and associated persons acting for, or on behalf of, the Group; and
- the consequences of any breaches of this policy.

All employees and associated persons must ensure that they read, understand and comply with this policy.

3. Responsibility for the Policy

The Company's board of directors (**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 (**Group Compliance Officer**) 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.

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.

Any points of clarification in respect of this policy and the obligations under it should be directed to the Group Compliance Officer.

The Bribery Act

The Group is committed to complying with the Bribery Act in its business activities in the UK and overseas.

Under the Bribery Act, a bribe is a financial or other type of advantage that is offered or requested with the:

- intention of inducing or rewarding improper performance of a function or activity; or
- knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity.

A relevant function or activity includes public, state or business activities or any activity performed in the course of a person's employment, or on behalf of another company or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed under the Bribery Act if:

- an employee or associated person acting for, or on behalf of, the Group offers, promises, gives, requests, receives or agrees to receive bribes; or
- an employee or associated person acting for, or on behalf of, the Group 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); and
- the Group does not have adequate procedures in place to prevent bribery by its employees or associated persons.

All employees and associated persons are required to comply with this policy, in accordance with the Bribery Act.

4. What is prohibited?

Bribery

The Group prohibits employees or associated persons from offering, promising, giving, soliciting or accepting any bribe. 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 or overseas. The bribe might be made to ensure that a person or company improperly performs duties or functions (for example, by not acting impartially or in good faith or in accordance with their position of trust) to gain any commercial, contractual or regulatory advantage for the Group in either obtaining or maintaining Group business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments or gifts made in any inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.

Facilitation Payments

The Group prohibits its employees or associated persons from making or accepting any facilitation payments. These are payments made to government 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. Facilitation payments, or offers of such payments, will constitute a criminal offence by both the individual concerned and the Group under the Bribery Act, 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.

Where a public official has requested a payment, employees or associated persons should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this should be reported immediately to either the individual's line manager, a member of the Group HR Department or the Group Compliance Officer.

If the public official provides written details, a main board member will consider the nature of the payment. Local legal advice may be sought by the Group.

If it is concluded that the payment is a legitimate fee, for example part of a genuine fast-track process, or is permitted locally, the Group will authorise the employee to make the payment.

Where it is considered that the request is for a facilitation payment, the employee or associated person will be instructed to refuse to make the payment and notify the public official that the employee or associated person is required to report the matter to the Group and the UK embassy.

The Group will seek the assistance of the relevant employee in its investigation and may determine that the matter should be referred to the prosecution authorities.

If an employee or associated person has any other concerns about the nature of a request for payment, he/she should report it to either the individual's line manager, a member of the Group HR Department, the Group Compliance Officer or via the Group Whistleblowing Procedure.

5. Records

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.

6. Risk Assessment

The Board will conduct a risk assessment of the Group's activities (in line with this legislation) and will put in place policies, communication, training and review procedures as required.

All Group companies will also be required to conduct their own risk assessment, and if the Group policies are insufficient, put in place additional policies, communication, training and reviews as required.

7. Working Overseas

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.

Any suspicions of bribery should be reported to either the individual's line manager, a member of the Group HR Department or the Group Compliance Officer.

While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:

- 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;
- requests for cash payments;
- requests for unusual payment arrangements, for example via a third party;
- requests for reimbursements of unsubstantiated or unusual expenses; or
- a lack of standard invoices and proper financial practices.

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 Group Compliance Officer.

8. Corporate Entertainment, Gifts, Hospitality and Promotional Expenditure

Principle

The Group permits 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 Group; or
- to present the Group's products/services effectively;

provided that it is:

- arranged in good faith, and
- not offered, promised or accepted to secure an advantage for the Group or any of its employees or associated persons or to influence the impartiality of the recipient.

The Group will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure.

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

Procedure

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.

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.

Where gifts, rewards or entertainment are offered from clients or public officials the procedures laid out in the British Engines Group Gifts and Corporate Hospitality Procedure must be followed.

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.

9. Charitable and Political Donations

The Group considers that charitable giving can form part of its wider commitment and responsibility to the community. The Group supports a number of charities that are selected in accordance with objective criteria, following a risk assessment. The Group may also support fundraising events involving employees.

The Group does not make donations to any political parties. Employees and associated persons are not permitted to make any political donations to organisations on behalf of the Group.

10. What practices are permitted?

This policy does not prohibit:

- normal and appropriate hospitality and entertainment with clients; and
- the use of any recognised fast-track process that is publicly available on payment of a fee.

Any such practices must be proportionate, reasonable and made in good faith. Clear records must be kept.

11. Reporting suspected bribery

Principle

The Group 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 Group and to remain vigilant in preventing, detecting and reporting bribery.

Employees and associated persons are encouraged to report any concerns that they may have to either their line manager, a member of the Group HR Department or Group Compliance Officer, as soon as possible. Reports can also be made using the procedure outlined in the Group Whistleblowing Procedure.

Issues that should be reported include:

- any suspected or actual attempts at bribery;
- concerns that other employees or associated persons may be being bribed; or
- concerns that other employees or associated persons may be bribing third parties, such as clients or government officials.

12. Protection

Employees or associated persons 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 Group aims 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.

The Group is 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 an employee believes that they have suffered any such treatment, he or she

should inform the Group HR Department or the Group Compliance Officer immediately. If the matter is not remedied, the employee should raise it formally using the grievance procedure which can be found on the Group intranet or a hard copy can be obtained from the Group HR Department.

13. Action by the Group

The Group will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out. The Group will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. The Group may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Group who are found to have breached this policy.

The Group may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the police. The Group will provide all necessary assistance to the relevant authorities in any subsequent prosecution.

14. Status of this Policy

This policy does not form part of any employee's contract of employment and it may be amended at any time.

15. Breach of this Policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct. These measures are separate to any criminal sanctions that may be brought if an offence is committed under the Bribery Act. The Group may terminate its relationship with other individuals and organisations working on its behalf if they breach this policy.

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