



# Anti-Bribery & Corruption Policy

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<b>APPROVER</b>	CEO
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# 1. Introduction

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Bribery and corruption remain major issues in world trade, despite the many dedicated efforts to prevent them. They are very damaging to the societies in which they occur. They:

- Divert money and other resources from those who need them most;
- Hinder economic and social development;
- Damage business, not least by increasing the cost of goods and services.

Our legal obligations are primarily governed by the Bribery Act 2010 (BA 2010). BA 2010 affects us as a UK organisation if bribery occurs anywhere in our business. However, you must also be aware of and comply with any relevant local laws and regulations within the country that you work.

We run our business with integrity and in an honest and ethical manner. All of us must work together to ensure it remains untainted by bribery or corruption. This policy is a crucial element of that effort. It sets out the steps that all of us must take to prevent bribery and corruption in our business and to comply with relevant legislation.

- **Corruption** is the misuse of office or power for private gain.
- **Bribery** is a form of corruption. It includes offering, promising, giving, accepting or seeking a bribe.
- **A bribe** is a financial or other advantage, promised, requested or given to induce a person to perform a relevant function or activity improperly, or to reward them for doing so.

In practical terms, a financial or other advantage is likely to include cash or cash equivalent, gifts, meals, entertainment, services, loans, preferential treatment, discounts or anything else of value. The timing of the bribe is irrelevant and payments made after the relevant event will still be caught, as will bribes which are given or received unknowingly. It is not necessary for the individual or organisation to actually receive any benefit as a result of the bribe.

This means that you must never:

- Give or offer any payment, gift, hospitality or other benefit that could amount to a bribe, e.g. in the expectation that a business advantage will be received, or to reward any business obtained or retained;
- Accept any offer from a third party that you know or suspect is made with the expectation that we will provide a business advantage for them or anyone else;
- Give or offer any payment to a government official in any country to facilitate or speed up a routine or necessary procedure.

All forms of bribery and corruption are strictly prohibited. If you are unsure about whether a particular act constitutes bribery, raise it with the VP Operations or the Compliance Team.

No person must threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible bribery or corruption.

Bribery and corruption could be committed by our:

- Staff (employees, directors, contractors, etc) or anyone they authorise to do things on our behalf;
- Representatives and other third parties who act on our behalf;
- Suppliers;
- Clients or prospective clients (e.g. they might try to induce one of our colleagues to give them more favourable terms).

Bribery can occur in both the public and private sectors. The person receiving the bribe is usually in a position to influence the award or the progress of business, sometimes a government or other public official.

## 2. The Law

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Bribery and corruption are criminal offences in most countries where we do business. UK businesses, including this one, are subject to BA 2010. Under BA 2010 it is illegal:

- To pay or offer to pay a bribe;
- To receive or agree to receive a bribe;
- To bribe a foreign public official.

A commercial organisation can also commit an offence if an associated person pays or offers a bribe with the intention of obtaining or retaining business, or a business advantage for the organisation.

It does not matter whether the bribery or corruption occurs in the UK or abroad. An act of bribery or corruption committed abroad may well result in a prosecution in the UK, the US (which has similar legislation through the Foreign Corrupt Practices Act or FCPA) and/or other jurisdictions where the business operates.

## 3. Our Position on Bribery

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Our position is simple: we conduct our business to the highest legal and ethical standards. We will not be party to corruption or bribery in any form. Such acts would damage our reputation, and expose us, our staff, and our representatives to the risk of fines and imprisonment. We take a zero-tolerance approach to bribery and corruption by our colleagues and our third party representatives.

Furthermore, there are significant advantages to acting with integrity, as well as significant consequences for not:

Benefits of acting with integrity	Consequences of not acting with integrity
<p>Increased chances of being selected as a supplier in public and private sectors.</p> <p>Other businesses will want to work with us.</p> <p>Remain in good standing with our banks and own suppliers.</p> <p>Good people will be more likely to want to work for us.</p> <p>Protected reputation.</p>	<p>A business that pays or accepts bribes is not in control of its dealings and is at risk of blackmail.</p> <p>If the business is found guilty of bribery, or if it fails to put in place adequate procedures to prevent it, could be subject to large fines.</p> <p>Any person guilty of bribery will be subject to fines and/or imprisonment (up to ten years under BA 2010).</p> <p>An allegation of bribery or corruption would result in severe reputational damage.</p> <p>The cost of our insurance cover could increase very significantly.</p> <p>Banking or supply facilities might be withdrawn or offered only on less favourable terms.</p> <p>Being blacklisted for tendering for private and public sector contracts.</p> <p>Good people will not want to work for us.</p>

## 4. Indicators of Corruption and Bribery

Common indicators of bribery and corruption include those listed below:

- Payments are for abnormal amounts or purposes (e.g. commission), or made in an unusual way, e.g. what would normally be a single payment is made in stages, through a bank account never previously used, or in a currency or via a country which has no connection with the transaction;
- Process is bypassed for approval or sign-off of terms or other commercial matters, or we are prevented from or hindered in monitoring commercial processes;
- Individuals are secretive about certain matters or relationships and/or insist on dealing with them personally; they may make trips at short notice without explanation, or have a more lavish lifestyle than expected;
- Decisions are taken for which there is no clear rationale;
- Records are incomplete or missing.

## 5. Risk Assessment

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We aim to ensure our anti-bribery and corruption procedures are proportionate to the risks we face.

We have performed a risk assessment of our organisation being exposed to bribery and corruption. This Anti-Bribery and Corruption Policy has been developed in response to the results of that risk assessment. Where necessary, we will review our risk assessment and make appropriate changes to this policy.

We have identified certain aspects of our business where we are presented with a higher risk than others. These include:

- Gifts and hospitality;
- Facilitation payments:
  - also known as ‘grease’ payments;
  - usually small amounts paid to officials to provide goods or services to which we are already entitled, e.g. speeding up the grant of a licence or permit;
  - common in many countries, particularly those where public officials are poorly paid;
  - illegal under BA 2010 and in many other countries where we do business;
  - we do not offer or pay them;
  - if you are faced with a request, or a demand, please contact the VP Operations immediately;
- Agents and intermediaries;
- Commissions - all commissions constitute the giving of a financial advantage, although they will not necessarily be bribes - however any commission payments must adhere to pre-agreed written policies, commission plans or contracts, and be paid upon clear evidence of milestones or completed.

## 6. Managing Client Risk

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We generally deal with large ‘blue chip’ clients in lower risk geographies, but we must be mindful of the risks of corruption when engaging with third parties.

We ensure that all of our contracts must have a clear statement of work or deliverables, and clear payment schedules, aligned to this, thus reducing the risk and increasing the visibility of any erroneous payments.

As our products are export controlled, country risk is highly relevant to us, and we must ensure that we are able to export to the country in question prior to any contract being signed - please speak to the Compliance Team for more information, as breaking export controls is another criminal offence.

Dual use products such as ours must never be sold to a sanctioned person or business, or into a sanctioned country. As such, prior to delivering any products to the customer, the names of the recipients must also be checked against the UK, EU and US sanctions lists. Please refer to the Export & Trade Policy for more information.

As well as export controls and the risk of bribery in some geographies, we must also be mindful of selling to clients in countries where intellectual property laws are poorly enforced. This is another form of corruption which could see some of our company's key assets compromised.

## 7. Being Offered Gifts & Hospitality

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Whilst it is illegal and against this policy to accept bribes, it is acceptable to receive the following gifts or hospitality without prior approval:

- Small items such as branded merchandise or novelty items, where the value is below the limits within this policy;
- Normal working lunches or refreshments provided during a business visit;
- Hospitality extended to staff attending a seminar, conference, or other external event, provided that such hospitality is extended to all who are in attendance, and that attendance has been pre-approved by PQShield's Management Team.

You must exercise good judgement in these scenarios, remembering that it is not acceptable to accept a payment or gift from a third party that you know or suspect is offered or provided with the expectation that it will obtain a business advantage for them.

For other gifts and corporate hospitality, our policy is as follows:

- All gifts received over £250 (or local currency equivalent) must be approved by the VP Operations or Compliance Team and registered in our Gift Register;
- If you are receiving more than one gift from a single third party, each of a value of over £50 (or local currency equivalent), and within the space of one year, then you must let the VP Operations or Compliance Team know.

Particular care must be exercised whenever you are offered gifts or hospitality from government officials, and you should let the Compliance Team or VP Operations know when this happens.

## 8. Local Customs

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We understand that people in different parts of the world have different social and cultural customs. This does not affect our stance that we do not pay or accept bribes or act corruptly: we do not and will not.

However, subject to that position, we understand the need to be sensitive to local customs, e.g. there are cultures in which refusing (or failing to offer) a gift is considered impolite and could alienate a key contact or client.

As such, any gifts or out-of-contract payments made to a supplier, customer or partner which exceed an aggregate value per person of £50 (or local currency equivalent) should be referred to the Compliance Team or VP Operations for approval.

If you feel it may be offensive or embarrassing to refuse a gift over the limits in this policy, then you should speak to the Compliance Team or VP Operations. In these circumstances the gift may then be subsequently donated to a charity of the PQShield's choosing.

Particular care must be exercised whenever you wish to offer gifts or hospitality to government officials and you must speak to the Compliance Team or VP Operations first.

## 9. Exceptional Circumstances

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In some very limited circumstances a payment is justifiable -this is if one of our colleagues is faced with a threat to their personal safety (or to the safety of another person) if a payment is not made. In this case, they should make the payment without fear of recrimination.

In such cases the CEO and VP Operations must be contacted as soon as possible, and the payment and the circumstances in which it was made must be fully documented and reported. The VP Operations will consider carefully whether to involve the police.

Such cases will be rare. All colleagues visiting regions where these cases are more common should familiarise themselves, prior to travel, with current guidance relating to those countries, and consult with the VP Operations prior to arranging the trip. For general information on travelling to a particular country, please consult the latest information from the UK government.

## 10. Who is Responsible for this Policy?

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The CEO has overall responsibility for this policy. They are responsible for ensuring this policy is adhered to by all staff.

Risk within the business will vary by area/location. The Management Team member responsible for each unit is responsible for assessing the level of risk to which their unit/location and, with the approval of the CEO, putting in place any necessary additional measures.

## 11. Your Responsibilities

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Everyone in the organisation is responsible for:

- Reading and being aware of the contents of this policy;
- Complying with this policy and any relevant local laws;
- Reporting cases where you know, or have a reasonable suspicion, that bribery or corruption has occurred or is likely to occur.

We will not penalise anyone who loses business through not paying a bribe.

Each of us has a responsibility to speak out if we discover anything corrupt or otherwise improper occurring in relation to our business. We cannot maintain our integrity unless we do this. If you discover or suspect bribery or corruption, then you must report these concerns to the VP Operations. It is important that you do not discuss your concerns or suspicions with anyone other than the VP Operations, regardless of their seniority. The only exception is if your concerns relate to the VP Operations - in these circumstances you should discuss your concerns with the CEO or Compliance Team.

## 12. Training

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All staff, including new joiners must read and acknowledge this policy, and any subsequent updates. Further training is provided to new joiners, as well as when there is a substantial change in the law or our policy and procedure.

## 13. Compliance and Monitoring

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We take compliance with this policy very seriously. Failure to comply puts both you and the business at risk. As well as potentially breaching your employment contract with us, you may be committing a criminal offence if you fail to comply with this policy. The criminal law relating to bribery and corruption carries severe penalties.

Because of the importance of this policy, failure to comply with any requirement may lead to disciplinary action under our procedures, and this action may result in dismissal for gross misconduct. If you have any questions or concerns about anything in this policy, do not hesitate to contact the VP Operations.

### 13.1. Monitoring

Compliance to the processes and guidance contained within this policy will be highlighted through notification of any Information Security and other Governance breaches whereby an investigation will identify non-compliance and then seek to understand and address the reasons for non-compliance.

### 13.2. Audit and Review

#### 13.2.1. Internal Review

Compliance with this policy will be monitored through Information Security Internal Audits, and by other management checks as required.

#### 13.2.2. External Review

Inspections by external auditors may be carried out from time to time.

As part of these activities, external inspectors may ask to view internal records. Supervised access to such records must be provided where requested.

Copies of records must not be retained by an inspector unless this has been specifically approved by the CEO or VP Operations.

### 13.3. Policy Review

This policy will be reviewed by the CEO or their nominated delegate at regular intervals, not exceeding one year, or when business changes warrant it as part of the continual service improvement process.