



I.M. Group Limited

ANTI CORRUPTION AND BRIBERY POLICY

Revision History

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1. Introduction

This policy sets out how all contracted employees of I.M. Group Limited must conduct company business in an honest and ethical manner.

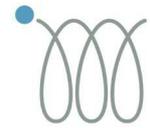
This policy is **entirely non-contractual** and does not form part of an employee's contract of employment.

Throughout this policy, references to "the Company" mean I.M. Group Limited and/or your employer within the group of companies headed by I.M. Group Limited as appropriate.

2. Policy Statement

"It is the Company's policy to conduct all its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption (including for the avoidance of doubt the facilitation of tax evasion) and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery, corruption and the facilitation of tax evasion.

The Company will uphold all laws relevant to countering bribery and corruption in all jurisdictions in which it operates. In particular, the Company is bound by the laws of the United Kingdom, including



the Bribery Act 2010 and the Criminal Finances Act 2017, in respect of its conduct both at home and abroad.”

3. Purpose and scope

The purpose of this policy is to:

- Set out the responsibilities of the Company, and those of the Company’s employees, in observing and upholding its position on bribery, corruption and the facilitation of tax evasion; and
- Provide information and guidance to people working for the Company on how to recognise and deal with bribery, corruption and the facilitation of tax evasion issues.

Bribery, corruption and the facilitation of tax evasion 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 tendering for public contracts and face damage to its reputation. The Company therefore takes its legal responsibilities very seriously.

The Company has identified the following potential risks to its business:

- Internal staff being bribed to overlook internal control weaknesses;
- Senior Managers overriding internal controls for personal gain;
- Staff accepting unreasonable gifts or hospitality in return for business given to suppliers or contracts awarded;
- Aftersales/Warranty teams authorising unnecessary repairs/invalid warranty claims as a company/manufacture expense in return for something of personal gain from the dealer/supplier;
- Accepting uncompetitive quotations from suppliers in return for personal gain.
- Vehicles being loaned by staff to third parties on non-commercial terms for personal gain;
- Agents providing information which is not in the public domain in respect of tenders/potential acquisitions in return for business opportunities;
- Government/local authority officials providing confidential /sensitive information to the company in return for personal gain;
- External auditors being bribed in return for favourable year end reporting;
- Staff accessing and selling customers’ personal data;
- Collusion with suppliers and customers to produce misleading documentation to support the other party in evading tax; and
- Making payments to supplier’s bank accounts which are registered in countries other than those in which they operate.

The above does not list all risks but is for the purpose of helping staff to think about other risks that may fall under this policy within their own areas.

In this policy, third party means any individual or organisation you come into contact with during the course of an employee’s work for the Company, and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

4. Who must comply with this 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), trainees, seconded staff, home workers, casual workers and agency staff, volunteers, apprentices, agents, sponsors, or any other person associated with the Company, or any of its subsidiaries or their employees, wherever located (collectively referred to as workers in this policy).

5. Definitions

Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of the functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

An **advantage** includes money, gifts, loans, fees, hospitality, services, discounts, the reward of a contract or anything else of value.

A person acts **improperly** where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

Corruption is the abuse of entrusted power or position for private gain.

6. What is the facilitation of tax evasion?

Firstly, there must be criminal **tax evasion** by a third party. Tax evasion means taking steps with a view to, or being knowingly concerned in, a tax payer deliberately and dishonestly failing to declare or pay tax which is legally due.

Secondly there must be **facilitation** by a worker. Facilitation means to be knowingly concerned in, or taking steps with a view to, another person committing a revenue fraud. Examples of what taking steps may be are set out below.

Examples:

Offering a bribe

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

This would be an offence as you are making the offer to gain a commercial and contractual advantage. The Company may also be found to have committed an offence because the offer has been made to obtain business for the Company. It may also be an offence for the potential client to accept the offer.



4. 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 the Company to ensure that the Company continues 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 for personal advantage.

5. Bribing a foreign official

You arrange for the Company to pay an additional payment to a foreign official to speed up an administrative process, such as clearing goods through Customs.

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 the Company. The Company may also be found to have committed an offence.

6. Facilitating tax evasion

You arrange for the company to raise an invoice which is deliberately misleading, on the request of the customer to enable the customer to recover VAT when they wouldn't have been able to had the correct details been used.

You have taken steps (the production of the deliberately misleading invoice) and therefore if the customer uses the invoice to fraudulently reclaim VAT then you are guilty of the offence. The Company may also be found to have committed an offence.

7. Gifts and Hospitality

This policy does not prohibit reasonable and appropriate hospitality or entertainment given to and received from third parties, where the purpose is **to establish and maintain a good business relationship** or **to improve or maintain our image or reputation** or **marketing or presenting our products and/or services effectively**.

The giving or receiving of gifts is not prohibited if the following requirements are met:

- 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;
- it complies with local law;
- it is given in the name of the Company and not in your name; it does not include cash or cash equivalent (such as gift certificates or vouchers);
- 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;
- it is given openly, not secretly; and
- gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the written prior approval of Andrew Edmiston.



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.

8. What is not acceptable?

It is not acceptable for you (or someone on your behalf) to:

- 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;
- 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;
- 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;
- 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;
- 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.

9. Facilitation payments and 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 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.

If you are asked to make a payment on behalf of the Company, you must 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 the HR department or the Directors of I.M. Group Limited.

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 the Company.

10. Donations

The Company does make contributions to political parties, but these are never made in an attempt to influence any decision or gain a business advantage, and are always disclosed. We also only make charitable donations that are legal and ethical. No donation in excess of £100 may be offered or made without the prior approval of Andrew Edmiston.

11. Your responsibilities

You must ensure that you read, understand and fully comply with this Policy.



The prevention, detection and reporting of bribery, other forms of corruption and the facilitation of tax evasion are the responsibility of all those working for the Company or under its control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this Policy.

You must notify your Line Manager or a relevant main Board Director 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 the Company 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.

Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. The Company also reserves the right to terminate its contractual relationship with other workers if they breach this Policy.

12. Record Keeping

The Company must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

You must ensure all expenses claims relating to the hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Company's 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.

13. 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, corruption or the facilitation of tax evasion, or if you have any other queries, these should be raised with your line manager, a relevant main Board Director or HR. Concerns should be reported by following the procedure set out in the Company's Whistleblowing Policy.

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

It is important that you tell HR 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 or unlawful activity.

15. Protection

Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrong-doing, are sometimes worried about possible repercussions. The Company



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 Company is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery, corruption or the facilitation of tax evasion, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place in the future.

Detrimental treatment includes dismissal, disciplinary actions, threat 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 you should raise it formally using the Company's Grievance Procedure.

16. Training and Communication

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

The Company has a zero tolerance approach to bribery, corruption and the facilitation of tax evasion which must be communicated to all suppliers, contractors and business partners at the outset of any business relationship with them and as appropriate thereafter.

17. Who is responsible for the policy?

The Board of Directors of the I.M. Group Limited has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The HR Manager will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that 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.

All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

You 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 HR department.

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

18. Breaches of this policy

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.



We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

19. Schedule of Potential risk scenarios “Red flags”

The following is a list of possible red flags that may arise during the course of you working for the Company and which may raise concerns under various anti-bribery, anti-corruption and anti-facilitation of tax evasion laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags whilst working for the Company, you must report it promptly to your Line Manager or use the procedure set out in the Whistleblowing Policy.

- you become aware that a third party engages in, or has been accused of engaging in , improper business practices;
- 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;
- 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;
- a third party requests payment in cash and/or refuses to sign a formal commission or fee arrangement, or to provide an invoice or receipt for a payment made;
- a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests that we raise an invoice with incorrect details or a non-standard form
- a third party requests an unexpected additional fee or commission to “facilitate” a service;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third party requests that a payment is made to “overlook” potential legal violations;
- a third party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed into writing;
- you notice that the Company has been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- 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; and
- you are offered an unusually generous gift or offered lavish hospitality by a third party.