

# Cohort plc

## Cohort Group Anti-Bribery and Anti-Corruption Policy

Version 4.2  
23 April 2019

Authorised by:

A handwritten signature in blue ink, appearing to read 'AS. IV'.

AS Thomis  
**Chief Executive**

## *Change History*

<b>Version</b>	<b>Date</b>	<b>Comments</b>
1.0	April 2011	Initial issue in draft
1.1	1 June 2011	Release authorised by Cohort plc board
1.2	13 June 2013	Draft revised version for comment
2.0	28 June 2013	Release authorised by Cohort plc board
2.1	20 May 2015	Draft revised version for comment
3.0	22 June 2015	Release authorised by Cohort plc board
3.1	12 August 2015	Minor amendment to 4.3.1
4.0	20 March 2018	Major revision following review by Gately plc
4.1	7 March 2019	Minor amendment to clause 18.
4.2	23 April 2019	Further amendment to clause 18.

# 1 Policy Statement

It is Cohort plc's policy to conduct all our business in an honest and ethical manner. Cohort plc and its group subsidiaries (**the Cohort Group**, "**we**", "**our**" or "**us**") takes a zero-tolerance approach to bribery and corruption and are committed to acting professionally and with integrity in all our business dealings and relationships wherever we operate, implementing and enforcing effective systems to counter bribery and corruption.

The Cohort Group will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by UK laws, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

The Cohort Group approach to anti-bribery and anti-corruption is based on the six principles set out in the Ministry of Justice Guidance:

- a) **Proportionate procedures:** measures that are appropriate to the risks we face and the nature, scale and complexity of our activities.
- b) **Top level commitment:** the Board and the Chief Executive of Cohort are committed to preventing bribery by employees and others associated with the business. A similar level of commitment is required from subsidiary company Managing Directors.
- c) **Risk assessment:** we carry out periodic, informed assessments of the risks we face and document the results as a guide to the measures we need to take.
- d) **Due diligence:** where appropriate we implement a targeted and proportionate due diligence procedure in relation to individuals or organisations who perform services for us in order to mitigate bribery risks.
- e) **Communication:** we will ensure that the policy is understood by all employees, and that our stance on bribery is made clear to associated individuals and organisations. We will ensure that all employees are aware of the identity of the Group Bribery Officer and individual subsidiary Company Bribery Officer and how to contact him/her.
- f) **Monitoring and review:** as part of our anti-bribery and corruption procedures we will ensure that both the design of, and compliance with, our anti-bribery and corruption measures are regularly reviewed.

We recognise that demands for bribes to be paid may be accompanied by threats to personal safety. If you are subjected to such an immediate threat to your safety, you may put your personal well-being first even if this means that you make a payment that would contravene this policy. However, you must immediately report all of the circumstances of the threat and the payment to the Group or Company Bribery Officer. If a threat is made but you have time to notify the Group or Company Bribery Officer before making any payment to avoid the harm to your person, then you should do so.

## Message from the Chief Executive:

*"This policy makes clear that bribery, and failure to prevent bribery by an associated party, are wholly unacceptable within Cohort plc and its operating businesses. The Cohort plc Board and I are committed to ensuring that we enforce the policy, and it is imperative that all Cohort Group employees comply with it in letter and in spirit.*

*As international suppliers of defence equipment and services we are often involved with government procurement contracts, sometimes in countries where anti-corruption laws are limited in scope or enforcement. It is therefore especially important that everyone in the Group is aware of the risks, and is clear about our standards and expectations"*

**Message from the Group Bribery Officer:**

*"Please read and understand this policy. The Board has approved this policy which sets the tone for our business. The elimination of bribery and corruption is central to our core values. We have legal commitments to uphold as well as the integrity of our business. We are committed to acting professionally and with integrity in all our business dealings and relationships. You must comply with this policy and you have my assurance that you will not suffer any adverse consequences from doing so, even if the business seems to lose out as a result."*

Group Bribery Officer: Simon Walther

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## **2 About this policy**

The purpose of this policy is:

- a) to set out the values, principles and responsibilities we adhere to and expect of all of our managers, officers, directors, employees at all levels, consultants, contractors, trainees/interns, homeworkers, part-time and fixed-term employees, casual and agency staff, seconded workers, volunteers, third party representatives and business partners, intermediaries, sponsors, suppliers or any other persons associated with us, wherever located in observing and upholding our position on bribery and corruption; and
- b) to provide information and guidance to all employees within the Cohort Group on how to recognise and deal with bribery and corruption issues.

We operate a strict policy against bribery and corruption. We are committed to acting fairly and with integrity in all of our business dealings and relationships.

Each subsidiary within the Cohort Group is required to implement its own anti-bribery policy and procedures in line with the requirements set out in this Cohort Group policy, setting out how the Cohort Group policy will be implemented in sufficient detail for day-to-day use. The subsidiary company anti-bribery policies must be approved by the Group Bribery Officer and implemented through changes to company management systems, process diagrams, contract terms, operating manuals and other documents as required. A summary of the measures required to be carried out by Cohort Group subsidiary's is set out in Annex B. In the event of any clash between the Cohort Group policy and subsidiary company policies, this Cohort Group policy shall apply.

Each subsidiary company's Managing Director is responsible for communicating the policy to all staff members and ensuring that they are aware of their responsibilities.

Managing Directors of each subsidiary must produce a short annual anti-bribery report by 31 May each year for review by the Cohort Chief Executive covering the following:

- a) confirmation of policy and procedural compliance with this policy
- b) any serious incidence of non-compliance by individuals and the action taken
- c) list of activities where bribery risk is assessed as medium or greater
- d) measures being taken to mitigate risk in each case.

Simon Walther, Cohort plc Finance Director, has been appointed as Group Bribery Officer with overall responsibility for enforcement of this policy. It is the responsibility of each subsidiary within the Cohort Group to appoint a Company Bribery Officer, who must be at director level within the business, with responsibility for the implementation of both this policy and the individual subsidiary's own anti-bribery policy. Simon Walther is the Company Bribery Officer for Cohort plc.

### 3 Application

This policy applies to all staff working for the Cohort Group or on our behalf in any capacity including managers, officers, directors, employees at all levels, consultants, contractors, trainees/interns, homeworkers, part-time and fixed-term employees, casual and agency staff, seconded workers, volunteers, third party representatives and business partners, intermediaries, sponsors, suppliers or any other persons associated with us, wherever located. If you are in any of these groups, then the policy applies to you, and you are bound by it. Local laws, custom and practice are not to be applied to justify any departure from this policy.

It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine. As an employer if the Cohort Group fails to prevent bribery we can face an unlimited fine, exclusion from tendering for public contracts, and damage to our reputation. The Cohort Group therefore takes our legal responsibilities very seriously.

This Cohort Group policy is published on the Cohort plc intranet. It will be reviewed as required as a result of changes in legislation, case law, and experience within the Cohort Group, and in any case at intervals of not less than two years.

### 4 Responsibilities

#### **Every one of us must take individual responsibility for complying with this policy**

The Board has overall responsibility for ensuring this policy complies with the Cohort Group's legal and ethical obligations. The Board will seek advice from professionals and delegate tasks to officers and others within the Cohort Group as appropriate.

The Group and Company Bribery Officers have primary 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. Any material non-compliance shall be reported to shareholders.

Management at all levels are responsible for ensuring that those reporting to them understand and comply with this policy and are given adequate and regular training on it. If you are a line manager, part of your role is to ensure that those in your reporting line are not involved in bribery by being sufficiently aware of employees' activities. You should make a note of anything unusual and raise questions in respect of any unexpected decisions or financial transactions initiated by subordinates.

Each Cohort Group employee must read, be familiar with, and strictly comply with this policy which shall be available on the Cohort plc website, intranet and individual subsidiary company intranet's and in hard copy via the Group or Company Bribery Officer.

All staff are responsible for the success of this policy and should ensure that they use it to disclose any suspected danger or wrongdoing. Staff 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 Group Bribery Officer

### 5 Definitions

The Bribery Act 2010 (the Act), makes bribery illegal.

**Bribery is the offering, promising, giving or accepting of any financial or other advantage, to induce another person, such as but not limited to:**

- a director, officer, employee or agent of another organisation or an individual;
- a public official, at national, local or international level; and
- a political party, party official or candidate,

**to act improperly in the performance of their 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 award 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 and includes solicitation of a bribe, whether or not coupled with a threat if the demand is refused.**

**It is the Cohort Group policy that bribery is a prohibited activity for all Cohort Group employees and will be regarded as a serious disciplinary matter as well as a criminal offence.**

## **6 Prohibition of Bribery and Corruption**

**We do not participate in any form of bribery or corruption.**

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 or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;
- c) accept a payment, gift or hospitality from a third party that you know, or suspect is offered with the expectation that it we will provide a business advantage for them or anyone else in return;
- d) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
- e) offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of the Group Bribery Officer;
- f) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- g) engage in any other activity that might lead to a breach of this policy.

### **Facilitation payments and kickbacks**

The Cohort Group does not make, and will not accept, facilitation payments or "kickbacks" of any kind.

Facilitation payments, also known as "back-handers" or "grease payments", are typically small, unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). They are not common in the UK but are common in some other jurisdictions in which we operate. Bribery laws in other jurisdictions in which we operate may not criminalise facilitation payments, but the Cohort Group does not allow this.

Kickbacks are typically payments made in return for a business favour or advantage.

You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by the Cohort Group or on our behalf, or that might suggest that such a payment will be made or accepted. 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. Any payment or other advantage made to any person which is not fully and properly recorded in the terms of the contract by which we do business with them shall be presumed by us to be a bribe. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Group or Company Bribery Officer.

## 7 Gifts, hospitality and expenses

**We only accept or provide hospitality and gifts within pre-defined limits and never to secure any improper advantage or to influence a business decision. Gifts, hospitality, and sponsorship may only be made and/or received in compliance with this policy.**

### *General Principles*

This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties, for the purposes of:

- (a) establishing or maintaining good business relationships;
- (b) improving or maintaining our image or reputation; or
- (c) marketing or presenting our products and/or services effectively.

If the intention or effect of any gift, entertainment or other hospitality might create a real or perceived influence upon any person, then further guidance must be sought from the Company Bribery Officer before the giving or accepting of the same.

If you offer or provide hospitality or gifts, and you suspect that it has been misconstrued by the recipient as an inducement, you must report this to the Company Bribery Officer and appropriate steps must be taken to correct this misapprehension.

You should make allowance for the possibility that acceptance of a gift or hospitality by the intended recipient is contrary to the recipient's own rules and policies. You should, therefore, explain to the recipient that it is perfectly acceptable to refuse your offer of a gift or hospitality and that, should the recipient prefer, attendance at an event you are running is open for acceptance on the basis that the recipient pays for himself/herself.

Provision of gifts and/or hospitality to third parties requires commercial justification as well as compliance with this anti-bribery policy. Nothing in this policy removes the requirement to ensure that proper line management and budgetary approval is in place before provision of any hospitality or gift.

You are required to complete a written record of hospitality, gifts and speaker/author/non-executive fees offered to you, whether received or declined, in the form set out in Annex A. The record will be subject to managerial review.

Care must be taken when being given or being offered entertainment, gifts or hospitality from persons with whom there is no prior business relationship. Hospitality, gifts or expenses which have 'strings attached', i.e. obligations on your part of whatever nature, must be declined. If hospitality has as its intent or purpose an attempt to secure a business advantage or influence a decision (e.g. by creating a sense of obligation), then it must be declined.

**Any attempt to undermine the impartiality of our people by the offer of substantial gifts or other inducements should be reported to the Company Bribery Officer immediately.**

Table 1 below provides a summary of the approval requirements for giving and receiving gifts and hospitality. For further details, refer to the text of the policy.

### *Accepting Corporate Hospitality*

The acceptance of corporate hospitality (other than refreshments offered in meetings held at business premises, or inexpensive externally provided food and drink) that is likely to exceed the limits set out in Table 1 (as amended from time to time) requires prior approval from the Company Bribery Officer.

You should only accept corporate hospitality if it is ethically, morally, and socially above reproach. Nothing should be accepted that brings you, your colleagues, your company or the Cohort Group into disrepute.

### *Acceptance of Gifts*

Acceptance of cash gifts is prohibited. You are not (nor are members of your family) permitted to receive 'personal' direct sponsorship from third parties with whom we are in business.

You are permitted to accept and keep gifts paid for by third parties of very low value, such as umbrellas, pens, diaries and small branded items. Other gifts should be politely declined in the first instance, pending authorisation in writing from the Company Bribery Officer. We do not intend any offence to the person offering any such gift and you should make it clear that you have no option but to comply with this policy and that you will be pleased to accept the gift if the Company Bribery Officer approves.

In circumstances where declining a gift might cause genuine offence, for instance in countries where the exchange of such gifts is customary between senior people, gifts may be accepted but must be reported immediately to the Company Bribery Officer and recorded in the gift register. Any such gifts must be retained by the company (not the individual) and may be displayed on company premises or, subject to the requirements of this policy, donated to charity.

Some employees may receive unsolicited token gifts from marketing departments from time to time, such as calendars at Christmas. You should consider the impact of displaying or using these items on third parties who may interpret this as your preferring one supplier over another.

#### *Offering or Providing Corporate Hospitality*

You may only offer entertainment or hospitality for the purposes set out at the beginning of this Section 7. Hospitality must not be offered or provided in return for any favour or benefit or to influence improperly any official or business decision. The value of such hospitality must be reasonable, proportionate and lawful under UK and any other applicable local law. Lavish entertainment is not permitted. Where entertainment is provided by an individual Cohort Group employee (e.g. business lunches) details of the recipient must be included in the expenses claim. Unless there are special reasons for this, no Cohort Group company should entertain the same individual more than once in a three-month period. Line managers must review expenses claims for inappropriate entertainment.

When assessing the risk of offering or providing corporate hospitality provided you should consider:

- the cost per head of the event;
- the number and nature of invitees;
- the last time each invitee was the recipient of hospitality from a Cohort Group company and the reason;
- whether the event will be held in a public or private setting;
- whether the event is in line with normal business practice; and
- whether any particular attendee might feel any obligation towards the company as a result of accepting an invitation.

Offering higher value corporate hospitality requires approval by the Company Bribery Officer, and if appropriate should be subject to a risk assessment in line with Annex D.

#### *Offering or Giving of Gifts*

The offering or giving of a gift may be allowed only if the following requirements are met:

- (a) 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;
- (b) It is not likely to influence, or to be perceived as influencing, any third party in an improper way
- (c) it is given or received in the name of your company or the Cohort Group, not by you personally;
- (d) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (e) it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value. For example, in the UK it is customary for small gifts to be given at Christmas;
- (f) it is given openly, not secretly or privately;
- (g) it complies with UK and any other applicable local law;
- (h) it is approved in line with the requirements of this policy as set out below

Giving promotional items of small value such as coffee mugs, golf balls, calendars, or similar items displaying the company logo that are distributed for advertising or commemorative purposes is generally permissible. Giving gifts of greater value with a company logo may be acceptable where this is customary but must be approved in advance by the Company Bribery Officer. Larger or unbranded gifts will only be approved in exceptional cases.

Before giving a gift, even of low value, consider:

- whether there is any likelihood that the recipient will feel any sense of obligation as a result of receiving the gift;
- whether the gift is in line with the (reasonable and proportionate) norms for the sector and country; and
- whether the gift could be connected with any decision by the recipient which could lead to a business advantage for the Cohort Group.

As a general rule, we do not pay for third parties' travel or other expenses. A payment of this nature that exceeds genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable under any circumstances. However, reimbursing a third party's expenses for legitimate reasons, for example where this might enable a business meeting that could not otherwise take place, would not usually amount to bribery and might be commercially justified. If there is such a legitimate reason to depart from the rule, you must obtain prior written approval from the Company Bribery Officer.

Table 1: Offering, providing or receiving corporate hospitality and/or gifts

	VALUE	REGISTER	IN	GIFT	APPROVAL BY COMPANY BRIBERY OFFICER
<b>Entertaining and giving gifts</b>					
Giving small branded gifts to business contacts	<£10 (€12)				
Giving branded gifts to business contacts	<£40 (€50)				✓
Giving larger or unbranded gifts to business contacts					✓ <b>Exceptional circumstances only</b>
Food and drink	<£50 (€65)				
	>£50 (€65)				✓
Other corporate Hospitality	>£50 (€65)				✓
<b>Receiving gifts and hospitality</b>					
Receiving branded gifts from business contacts	<£40 (€50)				
	>£40 (€50)		✓		✓ <b>Exceptional circumstances only</b>

	VALUE	REGISTER IN GIFT REGISTER	APPROVAL BY COMPANY BRIBERY OFFICER
Receiving unbranded gifts from business contacts		✓	✓ <b>Exceptional circumstances only</b>
Food and drink	<£50 (€65)		
	>£50 (€65)	✓	✓
Other corporate Hospitality	>£50 (€65)	✓	✓

## 8 Risk assessments

### Each Cohort Group company must carry out a bribery risk assessment

It is the responsibility of the Managing Director of each Cohort Group company to ensure that a high-level bribery risk assessment of the company's activities is carried out, documented, and regularly reviewed. This should include a review of the company's external interactions and internal functions, assessing each for the risk of bribery, and summarising the appropriate action needed.

Cohort plc has carried out a Group-level risk assessment which provides a template for company risk assessments, and this is provided at Annex C to this policy.

## 9 Export sales and marketing

Export sales and marketing activities with potential or actual customers, especially in countries with a poor CPI rating (as detailed above), have been identified as an area of high risk. There is a possibility of bribes being solicited by third parties in return for the promise of generating business for the Cohort Group and there may be an expectation of facilitation payments demanded from visitors or as part of supply. For this reason, employees involved in visits to such countries, or interacting with nationals of those countries, must be briefed in advance by their line manager or a senior manager of the bribery risks and reminded of their obligations under this policy.

After we engage with a third party overseas, you have a responsibility to continue monitoring on-going activities and to report any concerns to the Company Bribery Officer. If you know or reasonably believe that a contravention of this policy has happened or is likely, you must report it and, if possible and appropriate, prevent the payment or promise of payment from occurring.

## 10 Acquisitions

Each time the Cohort Group acquire any business as a going concern, the due diligence associated with the proposed acquisition shall include investigation of the acquisition target's compliance with the Bribery Act 2010 and related laws and regulations.

All agreements covering the acquisition of entities or business assets must include our standard anti-bribery provisions (set out at Annex F). All acquired contracts with distributors, consultants, suppliers and other third parties must be amended to include our standard anti-bribery provisions at the earliest practical opportunity, unless existing provisions provide equivalent or greater protection.

## 11 Donations

### **Sponsorship, political and/or charitable contributions require prior authorisation**

It is Cohort Group policy not to make contributions to political parties, party officials or candidates for political office. All requests for political contributions must be channelled through the Group Bribery Officer. In exceptional circumstances, the Cohort plc Board may establish, and communicate in writing, that it is in our interests to do so and then only upon satisfying itself that we are acting responsibly in accordance with all applicable laws and all requirements for public disclosure. Under no circumstances must political contributions be used as a subterfuge for bribery.

Sponsorship or charitable donations might amount to bribery if not undertaken for the right and proper reasons. We only make sponsorship or charitable donations that are legal and ethical under local laws and practices. As a business, we are pleased to support deserving causes both nationally and locally, but not in the expectation of any reward or influence in return. All requests for sponsorship or charitable donations by the Cohort Group must be approved by the Company Bribery Officer, as well as being approved through the normal line management chain.

If you wish to undertake charitable works or to seek sponsorship of a personal nature from your work colleagues, please notify the Company Bribery Officer. We will not prevent genuine fund raising of a personal nature by our employees and associates provided it is clear that this is unrelated to our business. However, sponsorship requests should not be made to, or sponsorship offers accepted from, business contacts outside the Cohort Group without the specific approval of the Company Bribery Officer.

The Cohort Group operates a Charitable Support Scheme which makes contributions to charity fund-raising organised by employees. In these cases, the Cohort Group's contribution may be made public. Such contributions will only be made in line with the requirements of this policy and are subject to approval by the Group Chief Executive and the Group Bribery Officer. Individual subsidiary company's may also organise and support charitable fund-raising activities from time to time. It is the responsibility of the local Managing Director to ensure that any such activities are in line with this policy, consulting the Group Bribery Officer in case of doubt.

If you make personal contributions to charity or to political organisations or if you engage in any form of sponsorship from your own funds, in the event of any uncertainty you must make clear to all concerned that such activity has nothing to do with the Cohort Group and that you are acting in your personal capacity outside of work. You must not use any resources of the business to support your personal activities in this regard.

## 12 Record keeping

### **All financial transactions must be properly recorded**

We comply with standard accounting practices and policies. We 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 given or received in accordance with Table 1 above (in the form set out Annex A), which will be subject to managerial review.

You must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our expenses policy and record the reason for expenditure.

All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept "off-book" to facilitate or conceal improper payments.

We comply with all laws and regulations, including those prohibiting the deduction of any form of bribe payment from taxable income.

No attempt to disguise the sources of illegally obtained funds is permitted. Any attempt to do so is a disciplinary matter and dismissal is a possible outcome.

The finance department in each Cohort Group company is responsible for highlighting any unusual transaction to their line manager or a senior manager. This includes proper checking of invoices against purchase orders or other commercial documents and checking to ensure proper countersignature of expense claims. Anything unusual must be reported to the Company Bribery Officer.

## 13 Your responsibilities

**All payments made by the business must be above board, transparent and proper**

**No payments may be made as a subterfuge for bribery**

You must ensure that you read, understand and comply with all relevant parts of this policy.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Cohort Group or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

You must notify your manager, the Group or Company Bribery Officer or report it in accordance with our Whistleblowing Policy 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 us 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 at Annex E.

It is contrary to this policy to offer, promise, authorise, pay or give, either directly or indirectly, to any other person (whether a government official or not) any financial or other advantage in order to secure an improper advantage, to obtain or retain business, or direct business to any other person or entity.

We insist that:

- (a) any payment made to any person, including but not limited to a representative or intermediary, represents no more than an appropriate remuneration for legitimate services rendered by such person;
- (b) no part of any such payment is permitted to be passed on by the representative as a bribe or otherwise in contravention of this policy;
- (c) in each contract with any advisor, agent, consultant, contractor and/or other intermediary representing us, such representative must agree not to pay bribes or otherwise engage in any corrupt practice. We must reserve the right to terminate agreements with representatives if a bribe is paid or other corrupt practice undertaken;
- (d) each of our business units and all advisors, agents, consultants, contractors and other intermediaries representing us must maintain an accurate record of the names, terms of employment and payments to all persons who are retained by them in connection with transactions with public bodies, state or private enterprises. This record must be made available for inspection by the Cohort plc Board and our appointed auditors on demand;
- (e) no employee, advisor, agent, consultant, contractor or other intermediary representing us is permitted to engage in bribery or any form of unethical inducement or payment (including facilitation payments and 'kickbacks') and all such persons must avoid any activities that might lead to, or suggest, a conflict of interest with our business;
- (f) we uphold laws relevant to countering bribery and corruption in all the jurisdictions in which we operate, particularly laws that are directly relevant to specific business practices;
- (g) all representatives and intermediaries must be appropriately reviewed and, if necessary, due diligence undertaken on them to ascertain their fitness to represent us before we appoint them;
- (h) all payments should be approved in writing by your line manager or a senior manager before making the payment;

- (i) receipts for payments should be obtained from the recipient;
- (j) all payments must be accurately recorded through our normal accounting and financial procedures without any deception or disguise as to the recipient's identity or the purpose for the payment in question.
- (k) an appropriate level of review is undertaken on those with whom we do business and, in particular, any organisation which represents our interests in any capacity or which supplies goods or services to us.

## 14 Business relationships with third parties

### **We only do business with reputable people**

For the purposes of this policy, a third party includes any person, organisation, firm or company other than us or a member of the Cohort Group. In particular, any person, organisation, firm or company who provides services to us or engages in any business activity for us is a third party. Employees of our business are not third parties for this purpose.

We must have a written contract with all third parties with whom we do business. This includes those who represent us and/or provide services to us as well as those with whom we trade. Contracts must include provisions requiring the third party to comply with all anti-bribery laws, policies and procedures in the country in which such third party operates as well as the law in the UK. Contracts must be immediately terminable without compensation to the third party in the event of a breach of these provisions. The Cohort Group's standard anti-bribery contract terms are at Annex F.

Before doing business with any third party a risk-based assessment must be carried out taking into account the financial scale of the relationship, its importance to us and the other party, the countries and legal jurisdictions involved and the opportunities for bribery that might arise. Further due diligence must be carried out if there is a material risk that the business relationship could give rise to bribery. We need to know that third parties are who they say they are. We need to know that they are not secretly representing somebody not disclosed to us. We need to know that they share our commitment to stamping out bribery. The nature of due diligence activities must be appropriate to the level of risk and must always be sufficiently vigilant and thorough. A full statement of the issues that need to be considered in a risk assessment are set out at Annex D.

There is a particularly high risk of bribery and/or corruption where a Cohort Group company is appointing sales agents or distributors located outside the UK or Portugal. For this reason, and for commercial reasons, all agreements appointing sales agents or distributors must be approved by the Cohort plc Chief Executive and the Group Bribery Officer. In addition, any contract or agreement, formal or informal, to work with, acquire goods or services from, or supply a private or public body based in a country with a score in the most recent Transparency International Corruption Perception Index (CPI) of less than 60 (or, in the event of a change in the scoring system used in the 2016 CPI, a score below that of Spain) must be subject to a specific risk assessment (see Annex D) and approved by the Company Bribery Officer.

Due diligence in relation to overseas third parties may be problematic, since our understanding of local laws and practices may be limited, and it may be difficult for us to access sources of evidence relating to the third party's behaviour. In these circumstances you should make use of reputable companies that specialise in anti-bribery due diligence, such as TRACE International Inc. Where a third party is verified to be a member of TRACE or has been subject to TRACE risk-based due diligence assessment without significant risks emerging, we will take this as a positive factor as regards their trustworthiness and anti-bribery commitment. However, third party due diligence must always be regarded as augmenting, and not substituting for, our own observations and judgements. A non-exhaustive list of "red flags" indicating enhanced risk is provided at Annex E of this policy.

## 15 How to raise a concern

### **We expect you to report suspicious activity without delay and without apprehension**

We know that our staff and representatives are not experts in the law and this policy is designed to help you recognise situations that might be of concern.

You are encouraged to raise concerns about any issue or suspicion of bribery or corruption promptly at the earliest possible stage if you have a sense that something unethical or untoward is going on involving our business.

If you are offered a bribe, or are asked to make one, or if you believe or suspect that any bribery, corruption or other breach of this policy has occurred or may occur, you must notify your manager, the Group or Company Bribery Officer or report it in accordance with our Whistleblowing Policy as soon as possible.

If you are unsure about whether a particular act constitutes bribery or corruption, raise it with your manager or the Group or Company Bribery Officer or report it in accordance with our Whistleblowing Policy.

We will deal with any instance of suspected bribery or corruption seriously and we will treat any instance of untrustworthy behaviour by any employee as a serious matter. Any actual instance will result in disciplinary action against those involved, up to and including termination of employment or contract, and reporting of those persons to relevant regulatory and criminal authorities. We will support those authorities in any prosecution brought against those persons.

You will never be penalised for compliance with this policy and its procedures, even if we lose business or money as a result and no employee will suffer demotion, penalty, or other adverse consequences for refusing to pay bribes even if such refusal may result in our organisation losing business. If you have concerns or suspicions about anyone's conduct or instances where there may be non-compliance with this policy, it is important you report them quickly to allow those concerns and suspicions to be promptly investigated and responded to.

Any form of discrimination, retribution or retaliation against anyone who has, in good faith, reported a possible violation of this policy or refused to participate in activities that violate this policy, is prohibited and will be treated as a serious disciplinary matter.

Bribery and corruption is an unwelcome feature of business and public life in many countries. We encourage and support our employees to make decisions in line with our stated position on bribery and corruption.

## 16 Protection

### **Confidential reporting of concerns (Whistleblowing)**

You should read this section in conjunction with your employing company Whistleblowing Policy.

Each employee can help Cohort in the fight against unethical practices by reporting any suspicions of bribery, corruption and/or unethical practices to their line manager. Alternatively, he or she can contact Safecall to discuss the concerns in confidence:

**Safecall Helpline: 0800 915 1571**

E-mail: [cohort@safecall.co.uk](mailto:cohort@safecall.co.uk)

Website: [www.safecall.co.uk/report](http://www.safecall.co.uk/report)

Further details of the Safecall service can be found on the Cohort plc intranet.

Individuals who refuse to accept or offer a bribe, or 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.

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 suspicions. 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, and it is not appropriate to make use of the company Grievance Procedure, it is open to you to inform the company Managing Director or report it in accordance with the company Whistleblowing Policy.

## **17 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.

## **18 Employee Training, Recruitment and Communication**

Those involved in recruitment must take up suitable references up on all new employees, and must ask previous employers of the candidate specifically about whether the individual is considered trustworthy or has ever exhibited dishonest behaviour. Employment, including temporary employment, should not be offered to any individual who is believed to be untrustworthy, or who has an unspent conviction for any offence involving dishonesty. Any employee who does not require security clearance must be asked to disclose any criminal convictions, and, if available in the relevant jurisdiction, a check of criminal records must be carried out.

A computer-based training package is available to all Cohort Group employees to ensure that they understand their responsibilities with regard to our strict stance against bribery and corruption. All employees must receive this training as part of their induction to the Cohort Group and refresher training may be required at future periods.

Attendance at not less than one refresher training session will be required every year by all staff with sales, finance, commercial, purchasing or senior management responsibilities, and by other employees considered by management to be at risk of exposure to bribery. Updates to the policy will be published on the Cohort plc intranet.

The Company Bribery Officer is required to ensure that employees are aware of this policy and the Cohort Group's stance on bribery and corruption. The Company Bribery Officer must use appropriate means to remind employees regularly of their responsibilities in relation to these matters.

Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

## **19 Approval**

Date of Approval: 20 March 2018

Date of Next Review: 20 March 2020

## 20 Annexes

The following Annexes are included with this policy, and form part of it.

Annex A: Format of gift and hospitality register

Annex B: A summary of the measures required to be carried out by Cohort Group companies under this policy

Annex C: The Cohort plc Group-wide anti-bribery risk assessment

Annex D: Guidance on risk assessments

Annex E: "Red Flags": indicators of possible bribery or corruption risks

Annex F: Anti-bribery contractual terms

## ANNEX A

### *Gifts/Hospitality Register*

#### *Register of Gifts/Hospitality Received*

[Office/Dept] to which this register relates:

[Person/Dept] responsible for maintaining the register:

This register should be maintained on an ongoing basis. A copy of the up-to-date register should be sent to [the relevant Head(s) of Department] every [quarter]. The complete register covering the twelve-month period ending 30 April should be sent to the Group Bribery Officer no later than 31 May every year, where a copy shall be kept.

Date Offered	Name	Received From	Description and Date	Accepted?	Estimated Value (£)	Approved/reviewed by	Date Approved

### *Gifts/Hospitality Register*

#### *Register of Gifts/Hospitality Given or Offered*

[Office/Dept] to which this register relates:

[Person/Dept] responsible for maintaining the register:

This register should be maintained on an ongoing basis. A copy of the up-to-date register should be sent to [the relevant Head(s) of Department] every [quarter]. The complete register covering the twelve-month period ending 30 April should be sent to the Group Bribery Officer no later than 31 May every year, where a copy shall be kept.

Date Offered	Name	Given/Offered To	Description and Date	Accepted?	Estimated Value (£)	Approved/reviewed by	Date Approved

## ANNEX B

### Summary of measures to be taken in Cohort Subsidiaries

Serial	Requirement	Action
1.	Company anti-bribery policy document incorporating standard procedures, subject to approval by Group Bribery Officer	
2.	Company Bribery Officer to be appointed	
3.	Company Risk Assessment to be carried out in a form similar to the Group Risk Assessment	
4.	Pre-existing third party contracts and agreements to be reviewed, with anti-bribery terms incorporated and due diligence carried out where necessary	
5.	<p>Implementation through changes to company management systems, process diagrams, contract terms, operating manuals and other documents as required, including:</p> <ul style="list-style-type: none"> <li>(i) Employee reference processes and identifying high risk employees</li> <li>(ii) Disciplinary processes</li> <li>(iii) Gifts/hospitality policy and registers</li> <li>(iv) Charitable donations and sponsorship</li> <li>(v) Management supervision</li> <li>(vi) Proper financial records</li> <li>(vii) Associated party processes</li> <li>(viii) Export marketing processes</li> <li>(ix) Overseas agent processes</li> <li>(x) Contract and agency agreement terms</li> <li>(xi) Specific risk assessments as required</li> </ul>	
6.	Communication to staff, with regular reminders of individual obligations	
7.	<p>Annual Anti-Bribery Report by MDs for Chief Executive <b>by 31 May</b> each year, including:</p> <ul style="list-style-type: none"> <li>(i) confirmation of policy and procedural compliance with this policy</li> <li>(ii) any serious incidence of non-compliance by individuals and the action taken</li> <li>(iii) list of activities where bribery risk is assessed as medium or greater</li> <li>(iv) measures being taken to mitigate risk in each case</li> </ul>	

ANNEX C

Group Risk Assessment

Individual or third party	Activity	Nature of risk	Benefit to Individual	Overall Risk	Policies
Senior management	Giving bribe	Strong direct control over company resources, ability to appoint associated parties to execute bribes. However, known well to Cohort top management. High risk of damaging a successful career. Risky for a potential briber to approach.	Direct through bonus, indirect through advancement as a result of business success.	Medium	References always taken before appointment specifically on trustworthiness and strength of character.  Financial and anti-fraud controls in place to highlight unusual transactions.
	Receiving bribe	Ability to influence major decisions to favour giver. But known well to Cohort top management and believed trustworthy. High risk to career.	Direct	Medium	Approval of major decisions by Cohort plc Chief Executive or board.
Middle and project management	Giving bribe	Ability to offer or approve inappropriate hospitality, or to work with associated parties (e.g. agents) to bribe potential customers.	Indirect	Medium	Financial and anti-fraud controls in place to highlight unusual transactions.
	Receiving bribe	Ability to influence appointment of suppliers and subcontractors.	Direct	Medium	Questioning by management of any apparently unusual decisions.
Business development, sales and marketing employees	Giving bribe	May benefit personally from making sales – but unlikely to be able to control large resources for bribery. May be tempted to offer inappropriate hospitality.	Possibly direct benefit through incentive schemes for winning orders.	Medium	Expenditure on hospitality subject to management approval.  Avoidance of relationships with agents managed solely through a single employee.
	Receiving bribe	Recommending appointment of agents or other partners in return for commission kick-backs etc.	Direct	Medium	Appointment of agents subject to due diligence and senior management approval.  Avoidance of relationships with agents managed solely through a single employee.
Purchasing department employees	Giving bribe	Little to be gained. Could theoretically bribe suppliers to offer lower prices.	Indirect if at all	Low	
	Receiving bribe	Direct influence over selection of suppliers. Questionable supplier behaviour is not uncommon.	Direct	High	Prohibition of improper gifts. Training.
Other employees	Giving bribe	Generally, there will be little benefit to the employee in bribing third parties.	Indirect	Low	

Individual or third party	Activity	Nature of risk	Benefit to Individual	Overall Risk	Policies
	Receiving bribe	Limited ability to influence decisions affecting third parties.	Direct	Low	
Associates	Giving bribe	May wish to bribe customer to ensure continued employment. Less close supervision by company management compared to employees.	Direct – through continued employment	Medium	Risk assessment and training if appropriate.
	Receiving bribe	Limited influence over company decisions.	Direct	Low	
Supplier company representatives	Giving bribe	Will have contact with Cohort Group purchasing departments and may benefit from higher prices or preferred selection.	Direct	High	Prohibition of improper gifts. Training for Purchasing employees.
	Receiving bribe	Low – little for briber to gain.	Direct	Low	
Overseas agents	Giving bribe	Dependent on territory but opportunity to bribe customers is likely to be high.	Direct through commission	High	Bribery and corruption specifically prohibited in contract. Due diligence based on risk assessment.
	Receiving bribe	Medium or high. Likely to have influence over company's selection of local partners.	Direct	High	Bribery and corruption specifically prohibited in contract. Due diligence based on risk assessment.
Customers	Giving bribe	Low – little to gain	None	Low	
	Receiving bribe	May be able to influence purchase decision – though in most cases this requires several independent approvals.	Direct	High	Due diligence based on risk assessment. Training for business development staff
Investors	Giving bribe	Individuals or fund managers could benefit by giving bribes in return for sensitive information. But the sector is highly regulated and policed, and the risks for the individual would be very high.	Direct	Low	
	Receiving bribe	Executives could benefit by bribing investors to manipulate the share price. The sector is highly regulated and policed, and the risks for the individual would be very high.	Direct through value of options or shares	Low	

Individual or third party	Activity	Nature of risk	Benefit to Individual	Overall Risk	Policies
Journalists	Giving bribe	Journalists may seek to bribe employees to gain access to market sensitive or embarrassing information about company activities.	Reputation and circulation enhanced	Medium	Clear policies on contact with journalists. Maintenance of insider lists for market sensitive information
	Receiving bribe	Media coverage is unlikely to be so valuable as to tempt employees to bribe journalists	Direct	Low	

## ANNEX D

### Activity-Specific Risk Assessments

The purpose of a risk assessment is to identify accurately and prioritise bribery risks associated with a particular activity and to propose specific measures that should be adopted to mitigate them. Risk assessments should be overseen within the Cohort Group at Director or Managing Director level and should have sufficient resources made available. The execution of a risk assessment requires:

1. Overview assessment. Are there particular factors related to the activity that make the risk of bribery very low? For instance
  - Is the value associated with the activity low and unimportant for all parties?
  - Do the risks for the parties associated with bribery clearly outweigh any potential gain?
  - Is the counterparty well known and with a good reputation for ethics and legality?

If such factors apply, and it can be reliably concluded on a summary basis that there is no material risk of bribery, then the investigatory steps below need not be followed. It is only necessary to carry out a concise documentation of the assessment in line with paragraph 5 below.

2. Identification of key risks related to the activity in question (who might be likely to bribe whom, based on the incentives and opportunity available to the individuals concerned). The Ministry of Justice Guidance identifies six key risks areas which should be evaluated in this process:
  - a) Internal risk – Employee seniority/function/department? Look for deficiencies in: employee knowledge of a company's business profile and understanding of associated bribery and corruption risks; employee training or skills sets; and the company's compensation structure or lack of clarity in the policy on gifts, entertaining and travel expenses.
  - b) Country risk – UK or overseas? Look for perceived high levels of corruption as highlighted by corruption league tables (see (ii) below); factors such as absence of anti-bribery legislation and implementation and a perceived lack of capacity of the government, media, local business community and civil society to effectively promote transparent procurement and investment policies; and a culture which does not punish bribery or other extortion attempts.
  - c) Sector risk – e.g. extractive industries and the large-scale infrastructure sector are considered higher risk. Defence is also widely considered to be a high-risk area.
  - d) Transaction risk – private or public client, new or existing, direct or via prime? e.g. transactions involving charitable or political contributions, the obtaining of licenses and permits, public procurement, high value or projects with many contractors or involvement of intermediaries or agents.
  - e) Business opportunity risk – e.g. high value projects or with projects involving many contractors or intermediaries; or with projects which are not apparently undertaken at market prices, or which do not have a clear legitimate objective.
  - f) Partnership risk – e.g. use of intermediaries in transactions with foreign public officials; consortia or joint venture partners; and relationships with politically exposed persons where the proposed business relationship involves, or is linked to, a prominent public official; insufficient knowledge or transparency of third party processes and controls.

3. Identification of internal and external information sources that will enable risk to be assessed and reviewed. These might include open sources (public databases, media, the Internet), commercial or government organisations (e.g. UKTI DSO) private information (other or former clients of an individual) and direct discussions with and questioning of the individual(s) concerned.
4. Due diligence enquiries: collection and assessment of the evidence from the identified sources and recommendations on whether the proposed course of action has an acceptable level of risk, and if not whether this could be rectified by the adoption of specific measures.
5. Documentation of risk assessment. This should include:
  - a statement of the identified risks;
  - a statement of information sources checked;
  - a summary of relevant information reviewed, with reference to sources;
  - a “go/no go” recommendation and if appropriate a risk management plan; and
  - the approval or rejection of recommendations by the relevant director.

If there is any doubt about whether an activity should take place, companies should refer to the Group Bribery Officer for advice. If necessary, external legal advice will be taken.

## ANNEX E

### Potential risk scenarios: 'red flags'

#### *Day-to-day relationships*

If you encounter any of these red flags while working for us, you must report them promptly to your manager, the Group or Company Bribery Officer or report it in accordance with our Whistleblowing Policy:

- (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

#### *Agent appointments*

Risk factors to be considered include:

- (a) whether the associated person has non-business relationships with senior officials or government members;
- (b) whether we can ascertain the ownership of the agency or business and whether the identity of the owners causes any concern;
- (c) the reputation of the associated person in country in which they will operate on Cohort's behalf;

- (d) whether we have seen a client list and whether other clients of the associated person are reputable;
- (e) whether the associated person has membership of corruption prevention organisations such as TRACE;
- (f) whether we know anything about the reputation of the associated person with any other relevant parties.

## ANNEX F

### Anti-bribery contractual terms

#### 1. Compliance with relevant requirements

##### 1.1 The Supplier shall:

- (a) comply with all applicable laws, statutes, regulations, and policies relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 (**Relevant Requirements**);
- (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- (c) comply with the Customer's Anti-bribery and Anti-Corruption Policies (annexed to this agreement at schedule [INSERT]) as the Customer may update them from time to time (**Relevant Policies**).
- (d) have and shall maintain in place throughout the term of this agreement its own policies and procedures, including but not limited to adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, the Relevant Policies and clause 1.1(b), and will enforce them where appropriate;
- (e) promptly report to the Customer any request or demand for any undue financial or other advantage of any kind received by the Supplier in connection with the performance of this agreement;
- (f) immediately notify the Customer (in writing) if a foreign public official becomes an officer or employee of the Supplier or acquires a direct or indirect interest in the Supplier and the Supplier warrants that it has no foreign public officials as direct or indirect owners, officers or employees at the date of this agreement);
- (g) within [INSERT] months of the date of this agreement, and annually thereafter, certify to the Customer in writing signed by an officer of the Supplier, compliance with this clause 1 by the Supplier and all persons associated with it under clause 1.2. The Supplier shall provide such supporting evidence of compliance as the Customer may reasonably request.

1.2 The Supplier shall ensure that any person associated with the Supplier who is performing services in connection with this agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Supplier in this clause 1 (**Relevant Terms**). The Supplier shall be responsible for the observance and performance by such persons of the Relevant Terms and shall be directly liable to the Customer for any breach by such persons of any of the Relevant Terms.

1.3 Breach of this clause 1 shall be deemed a material breach under clause [NUMBER].

1.4 For the purpose of this clause 1, the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section

7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purposes of this clause 1 a person associated with the Supplier includes but is not limited to any subcontractor of the Supplier.