

Anti-bribery and Anti-corruption Policy

Integrated Management System (IMS)

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1. Introduction

The Imagination Group Limited (“Imagination” or “the Company”) is committed to the highest standards of ethical conduct and integrity in its business activities globally. This policy outlines the Company’s position on preventing and prohibiting bribery and corruption, in accordance with the UK Bribery Act 2010 (“the Act”); the Act brings the UK into line with its obligations under the 1997 OECD Convention on Combating Bribery, so is a sound basis for policy applicable to all staff across the globe.

2. The requirements of the Act

2.1 The Act came into force on 1 July 2011. This policy covers:

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

An “associated person” is someone who performs services for or on behalf of the Company in any capacity. This could be an agent or a subsidiary and includes freelancers.

2.2 There are four key offences:

- bribery of another person;
- accepting a bribe or “kickback”;
- bribing a foreign official; and
- failing to prevent bribery.

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

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

“Improper performance” occurs when the person responsible for an activity is expected to act in good faith or impartially, or in accordance with a position of trust, and fails to do so.

2.4 The first three offences set out in 2.2 apply to individuals, who can be sentenced to prison terms as well as incurring fines. A person can be guilty of an offence under the Act even if the offence is committed abroad, if the individual has a close connection with the UK. A person has such a connection if he is a British citizen or is ordinarily resident in the UK or if he falls within any one of the other seven categories set out in section 12(4) of the Act.

2.5 The fourth offence set out in 2.2 applies to a commercial organisation. A criminal offence will be committed under the Act if:

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

2.6 This policy also covers facilitation payments and “kickbacks”, as well as “corruption”, which is defined as: the abuse of entrusted power or position for private gain.

3. Policy

The Company will not tolerate any form of bribery or corruption by, or of, its employees, agents or consultants or any person or body acting on its behalf. Senior management is committed to implementing effective measures to prevent, monitor and eliminate bribery and corruption. Accordingly, the Board of Directors of the Company has adopted this policy. All employees and associated persons are required to comply with this policy, in accordance with the Act.

4. What is prohibited?

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

- 4.2 This prohibition also applies to indirect contributions, payments or gifts made in any manner as an inducement or reward for improper performance, for example through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or other third parties.
- 4.3 Facilitation payments, also known as “kickbacks”, “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. We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.

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 us 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. If you have any suspicions, concerns or queries regarding a payment, you should report these in accordance with section 10 below.

5. Records

- 5.1 Employees and, where applicable, associated persons, are required to take particular care to ensure that all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.
- 5.2 Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

6. International Travel

Employees working outside their principal place of work may be at greater risk of being exposed to bribery and corruption or unethical business conduct. Employees and associated persons should be extra vigilant when conducting international business. Any suspicious circumstances should be reported as outlined in section 9 of this policy. A list of potential “red flags” that may arise during the course of business activities, and which should cause you to be more cautious, are set out in the appendix to this policy at the end of the document.

7. Corporate entertainment, gifts, hospitality and promotional expenditure

- 7.1 The Company permits corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:
- for the purpose of establishing or maintaining good business relationships;
 - to improve the image and reputation of the Company; or
 - to present the Company’s services effectively;

provided that it is:

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

7.2 Before offering or accepting hospitality (other than a simple meal not exceeding the equivalent of £100 / US\$150 per head), a member of staff should seek approval for the proposed hospitality from their head of department. Once this approval has been given, the member of staff should then record details of the proposed hospitality on the Record of hospitality, entertainment, gifts and charitable donations form (available on the intranet) indicating the name of the manager that gave the approval.

7.3 The Company will only authorise and reimburse reasonable, appropriate and proportionate entertainment and promotional expenditure. All expense claims for entertaining must include details of all individuals (from both parties) who participated in the entertainment. The Company will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship. The Company will not approve business entertainment where it considers that a conflict of interest may arise or where it could be perceived that undue influence or a particular business benefit was being sought (for example, prior to a tendering exercise).

7.4 The Company considers that charitable giving can form part of its wider commitment and responsibility to the community. Private donations to charity by members of staff are not the concern of the Company and do not need to be reported. However, any fundraising events involving employees will require clearance. The Company does not make donations to any political party.

7.7 Members of staff may not have any dealing with a third party with whom the Company has a business connection whereby that member of staff or a friend or relative might gain an advantage in return for some business advantage for that third party.

8. Risk Management

The Company will:

- regularly monitor corporate entertainment, gifts, hospitality and promotional expenditure activity;
- regularly monitor "at risk" employees and associated persons;
- regularly communicate with "at risk" employees and associated persons;
- undertake extensive due diligence of third parties and associated persons; and
- communicate its zero-tolerance approach to bribery and corruption to third parties, including actual and prospective customers, suppliers and joint-venture partners.

9. Due Diligence

- 9.1 Before entering into negotiations with third parties and before any letter of intent, commitment or contract is made with a third party, appropriate due diligence on that third party and the foreseeable related transactions should be undertaken.
- 9.2 Due diligence includes checking the following issues in relation to a third party:
- creditworthiness;
 - financial records;
 - company structure - shareholders, directors etc.;
 - bank references;
 - trade references;
 - personal references;
 - trading reputation - with competitors, suppliers, customers;
 - resources - does it have appropriate staff, premises, equipment etc.?
 - any proceedings (civil or criminal) in which the third party has been involved;
 - conflicts of interest - does it have dealings or close relationships with one of our competitors?

10. Reporting suspected bribery or corruption

The Company depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings. Employees and associated persons are required to assist the Company and to remain vigilant in preventing, detecting and reporting bribery and corruption.

Employees and associated persons are required to report any concerns promptly and in confidence to the Group Operations Director as soon as possible through the Potential Bribery and Corruption Alert Form. Issues that should be reported include:

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

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 suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

11. Action by the Company

The Company will investigate fully any instances of alleged or suspected bribery or corruption. Members of staff suspected of bribery or corruption may be suspended from

their duties while the investigation is being carried out. A failure by any employee to comply with this policy may result in local disciplinary action up to, and including, termination of employment if the employee is found to have breached this policy.

Appendix - Red Flags

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

If you encounter any of these red flags while working for us, you must report them promptly using the procedure set out in section 10 of this 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.