

## **BROOKHOUSE ANTI BRIBERY COMPLIANCE/POLICY**

### **STATEMENT**

Brookhouse Aerospace (also referred to as the "organisation") is committed to applying the highest standards of ethical conduct and integrity in its business activities both in the UK and overseas. Every employee and individual acting on the organisation's behalf is responsible for maintaining the organisation's stellar reputation and for conducting company business in an honest, fair and professional manner.

Transparent, fair conduct helps to foster deep relationships based on trust between Brookhouse Aerospace, its business partners and customers. This is vital for our organisation's reputation and growth.

Brookhouse Aerospace is fully cognisant of the fact bribery and corruption are serious offences that have a detrimental impact on business by undermining the principles of good governance as well as distorting free markets.

Brookhouse Aerospace does not tolerate any form of bribery, (whether direct or indirect), by (or for any of) its employees, officers, agents or consultants or any persons or companies acting for it or on its behalf. The board and senior management are committed to implementing and enforcing robust and effective systems throughout the organisation to prevent, monitor and eliminate bribery, in accordance with the UK Bribery Act 2010 (the "Act") and other relevant legislation.

### **OUR POLICY**

Brookhouse Aerospace's policy is to comply with all applicable anti-bribery laws, including (but not limited to) the United Kingdom's Bribery Act 2010 (hereinafter, the "U.K. Bribery Act"), and all applicable local laws where Brookhouse Aerospace operates, and to accurately reflect all transactions on Brookhouse Aerospace's books and records.

Brookhouse provides an anti-bribery policy outlining the organisation's position on preventing and prohibiting bribery (which can be found on the company's intranet). The anti-bribery policy applies to all employees, as well as agency workers, consultants and contractors (both in the UK and overseas). All employees and other individuals acting for the organisation are required to familiarise themselves and comply with the organisation's anti-bribery policy

### **OVERVIEW**

#### **WHAT IS A BRIBE?**

A bribe is an advantage (financial or otherwise) that is offered to, given to, or received by an individual or company (whether directly or through intermediaries) for the purposes of inducing or influencing that individual (in a position of trust) or company to perform a function improperly or compromise his/her discretion or with the knowledge that the acceptance of the advantage is improper.

Employees and others acting for or on behalf of Brookhouse are strictly prohibited from promising, offering, giving, soliciting or receiving a bribe at any time during their employment with Brookhouse Aerospace irrespective of whether it is for their benefit or for a member of their family, friends or acquaintances.

## **WHO DOES ANTI-BRIBERY LEGISLATION AFFECT?**

Anti-Bribery legislation has an extra-territorial reach and is applicable to all regions and business units of Brookhouse Aerospace and to all employees and representatives acting for or on behalf of Brookhouse Aerospace wherever they may be located. This means that any Brookhouse employee can be prosecuted for anti-bribery offences committed anywhere in the world.

## **WHERE DOES THE RISK LIE?**

There are essentially 4 key areas of risk where employees may encounter instances of bribery and corruption. These are:

1. Gifts & Hospitality
2. Dealings/negotiations with agents, suppliers, customers (i.e. those entities we sell/supply to) and third parties
3. High risk countries and facilitation payments
4. Dealings with Public Officials

## **WHAT DOES ALL THIS MEAN IN PRACTISE?**

### **A. GIFTS & HOSPITALITY**

Brookhouse Aerospace recognises that hospitality is an integral and vital part of building relationships with customers and helping the business grow. Hospitality provided for a legitimate purpose is fine BUT hospitality which is lavish, excessive and too frequent or leaves the recipient in a position of obligation, should trigger alarm bells as to the existence of an improper use.

#### **In summary:**

- **DO NOT** discuss with customers or business contacts gifts, hospitality or consideration of any kind which could act as an inducement or reward to any person;
- **DO NOT** provide any gifts or hospitality to any clients or business contacts without first having obtained the necessary level of approval;
- **DO NOT** accept any gift (monetary or otherwise) from any client or business contact if it places you in a position of an obligation.  
HOWEVER
- **DO** bear in mind the timing of any gift/hospitality being provided or received and how that may be perceived by a third party

<b><u>WHAT IS PROHIBITED</u></b>	<b><u>WHAT IS ALLOWED</u></b>
<ul style="list-style-type: none"><li>▪ Cash gifts</li></ul>	<ul style="list-style-type: none"><li>▪ Gifts (other than to public officials) with moderate value offered or received on an occasional basis within the scope of special events, as well as promotional gifts that publicize the company's brand.</li><li>▪ Examples included fruit baskets, reasonably priced meals and promotional items (e.g. shirts, calendars or mugs)</li></ul>
<ul style="list-style-type: none"><li>▪ Gifts in the form of services or benefits in kind</li></ul>	
<ul style="list-style-type: none"><li>▪ Any gift, invitation or benefit given with the intention of obtaining an unwarranted advantage</li></ul>	

<ul style="list-style-type: none"> <li>▪ Any illicit gift or invitation that infringes the laws or customs of the host country</li> </ul>	
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**B. DEALINGS WITH AGENTS/SUPPLIERS/CUSTOMERS/THIRD PARTIES**

The Act defines an “Associated Person” as “one who performs services for or on behalf of the organisation.”

Employees are presumed to be associated with their employer organisation. Agents, subsidiaries and, where it has the requisite degree of control or influence, joint venture vehicles may also be associated persons. Distributors, joint venture partners, suppliers, customers and third parties who provide services to Brookhouse could also be caught.

The organisation may be found guilty of this offence, even if the associated person itself is not, or cannot be, prosecuted for the bribe.

For example, if the Associated Person is incorporated, and performs the bribe, outside the UK, it cannot be prosecuted. But that wouldn’t hinder the organisation from being prosecuted for the Corporate Offence.

**In summary:**

- **DO NOT** enter into any agreement without first having undertaken an appropriate risk assessment and due diligence exercise
- **DO NOT** agree any additional terms of payment or commission without first having obtained the relevant authorisation from the CFO
- **Do NOT** make payments to any party other than the customer/supplier/third party who provided the services under the relevant agreement
- **DO** ensure that the agreement that you are negotiating under does contain the appropriate anti-corruption clauses. Ask the legal department for further guidance if necessary.
- **DO** report any suspicious activities for example abnormally high or unusual payments made to offshore bank accounts

**C. HIGH RISK COUNTRIES & FACILITATION PAYMENTS**

During the course of business, there will be times where company officers and employees will need to travel overseas for business purposes to countries where there is a high risk of bribery and corruption (e.g. Somalia, Sudan, Nigeria and Russia)

If a business operates in countries where corruption is perceived to be commonplace. Extra care needs to be taken

Brookhouse Aerospace strictly condones so-called “facilitation payments.” These are payments (usually) demanded by officials (but not necessarily) simply to secure or expedite the performance of their normal duties (e.g. granting a license or allowing goods to cross a border).

Regrettably, these sort of payments are commonplace in some jurisdictions, but the making of such payments, regardless of how small, will be an offence under the Act unless they are permitted by local law.

### **In summary:**

- **DO NOT** make any payment if you have even the slightest doubt and suspect that it may be a facilitation payment;
- **DO NOT** engage in any sort of behaviour or conduct that may suggest that a facilitation payment will be made, accepted or even considered by us;
- **DO** discuss any doubts/concerns you may have about the risk of corruption to your line manager and/or legal department
- **DO** ensure that when travelling you allow ample time to accommodate for any delays (e.g. at customs caused by a refusal to pay)

### **D. DEALING WITH FOREIGN PUBLIC OFFICIALS**

The bribery of a foreign public official is a serious crime in anti-bribery and corruption legislation stated in Section 6 of the UK Bribery Act 2010. A foreign public official works on behalf of a foreign government and therefore has access and is privy to vital information. Consequently, if a foreign public official is bribed, there are severe consequences in the form of imprisonment and unlimited fines. Therefore, to avoid the penalties stated in the UK Bribery Act 2010, compliance with this legislation is vital.

### **WHO ARE FOREIGN PUBLIC OFFICIALS?**

A foreign public official is an individual who acts on behalf of a foreign government. The UK Bribery Act deals with the bribery of both government officials and commercial officials. The Act lowers the threshold when it comes to commercial bribery. This is because bribery of a foreign public official is considered to be a serious crime and therefore requires tighter restrictions.

### **HOW TO PREVENT BRIBERY OF FOREIGN PUBLIC OFFICIALS**

The UK Bribery Act states that adequate procedures should be implemented by organisations to demonstrate that they have attempted to prevent the bribery of a foreign public official. The stated adequate procedures are:

- (a) **Proportionate Procedures**. The procedures which an organisation puts into place should reflect the scale of the risk which the organisation could face, therefore the procedures are proportionate to the risk.
- (b) **Top-level Commitment**. This refers to individuals higher up within the organisation, as it is intended that they demonstrate their commitment to anti-bribery and corruption legislation.
- (c) **Risk Assessment**. A risk assessment must be conducted by an organisation regularly to analyse and find out how potential risks to an organisation's integrity could occur.
- (d) **Due Diligence**. These procedures should be conducted in relation to the individuals who will be performing on behalf of the organisation. Brookhouse Aerospace encourages company personnel to always follow and use Brookhouse Aerospace 's mandatory due diligence process for business partners, internal approval, financial reporting, and document retention requirements;

- (e) **Communication.** An organisation is expected to communicate the adequate procedures to all members of the organisation, as well as conducting training.
- (f) **Monitoring and Review.** As time goes on the employees and personnel of an organisation will change, therefore updates and reviews of adequate procedures need to be conducted to ensure they are all in line with the organisation and potential risk.

Brookhouse Aerospace has a code of conduct which includes *inter alia* a list of the adequate procedures above. Therefore, if a bribery offence does take place Brookhouse Aerospace can demonstrate that it has the tools and mechanism in place to attempt to prevent bribery appropriately.

## **CONCLUSION**

The success of any organisation's anti-bribery measures depends on all employees and those acting for the organisation, playing their part in helping to detect and eradicate bribery. That being said, no policy statement or procedure can address all possible situations or transactions explicitly and therefore it is of paramount importance that all employees acting for or on behalf of Brookhouse Aerospace are encouraged to report any suspected bribery in accordance with the procedure set out in the anti-bribery policy and code of conduct. Brookhouse Aerospace will support any individuals who make such a report provided that it is made in good faith.