

# Anti-Corruption and Anti-Bribery Policy

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## 1. Policy statement

- 1.1** It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption.
- 1.2** We 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.

## 2. About this policy

- 2.1** The purpose of this policy is to:
- set out our responsibilities, and of those working for and on our behalf, in observing and upholding our position on bribery and corruption; and
  - provide information and guidance to those working for and on our behalf on how to recognise and deal with bribery and corruption issues.
- 2.2** 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 we fail to prevent bribery we can face an unlimited fine, exclusion from tendering for public contracts, and damage to our reputation. We therefore take our legal responsibilities very seriously.
- 2.3** In this policy, third party means any individual or organisation you come into contact with during the course of your work for us, 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. This list is not exhaustive. There may be other parties who you come into contact with in the course of your employment, and to whom this policy will also apply.

- 2.4** Unless expressly stated, this policy does not form part of any employee's contract of employment and we may amend it at any time.

## 3. Who must comply with this policy?

- 3.1** This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.

## 4. Who is responsible for the policy?

- 4.1** The Executive Committee has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 4.2** The compliance manager has primary and 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.
- 4.3** 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.
- 4.4** 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 compliance manager.

## 5. What are bribery and corruption?

- 5.1** 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 their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

- 5.2** An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or arrangement or anything else of value.
- 5.3** 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.
- 5.4** Corruption is the abuse of entrusted power or position for private gain.

## 6. What you must not do

- 6.1** 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 will provide a business advantage for them or anyone else in return;
  - d) indicate a willingness or intention to engage in any of the practices listed above at paragraphs 6.1 (a) - 6.1 (c), or suggest or indicate in any way that engaging in such practices could influence or affect any business or commercial arrangements;
  - e) accept hospitality from a third party that is unduly lavish or extravagant under the circumstances.
  - f) offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior written approval of your manager or the Executive Committee;
  - g) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
  - h) engage in any other activity that might lead to a breach of this policy.

## 7. Facilitation payments and kickbacks

- 7.1** We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.
- 7.2** 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 or person in a position of trust or authority or who is or may be able to influence business or commercial arrangements). They are not common in the UK, but are common in some other jurisdictions in which we operate.
- 7.3** Kickbacks are typically payments made in return for a business favour or advantage.
- 7.4** You must avoid any activity that might lead to a facilitation payment or kickback being offered, 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 raise these with your supervisor or management, a member of the Executive Committee or a member of the Human Resources Department, or a Director.

## 8. Gifts, Hospitality and expenses

- 8.1** 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.
- 8.2** You are prohibited from accepting a gift from or giving a gift to a third party, except if the following conditions are met and you have obtained the prior written consent of the Executive Committee:
- 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 given in our name, not in your name;

- c) It does not include cash or a cash equivalent (such as gift certificates or vouchers);
- d) 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;
- e) it is given openly, not secretly; and
- f) it complies with any applicable local law.

**8.3** Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and business partners will usually be acceptable.

**8.4** Reimbursing a third party's expenses, or accepting an offer to reimburse our expenses (for example, the costs of attending a business meeting) would not usually amount to bribery. However, a payment in excess of genuine and reasonable business expenses (such as the cost of an extended hotel stay) is not acceptable.

**5.4** We appreciate that practice 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, hospitality or payment is reasonable and justifiable. The intention behind it should always be considered.

## 9. Interactions with government officials

**9.1** Dealing with government officials and government departments, is not the same as dealing with private parties. This is true whether the government is acting as a customer, a supplier, a consultant/ service provider or a regulator.

**9.2** Business courtesies, hospitality and small gifts of nominal value that might be appropriate when you are dealing with private parties, like paying for lunch or dinner, are not appropriate or legal when you are dealing with government officials. In addition, the laws of most countries usually prohibit the payment, promise, offer or authorization of money, gifts or other items of value to influence government officials or to secure any improper business advantage.

**9.3** For these reasons, our policy is clear: we do not, either directly or indirectly through a consultant or other third party intermediary, give, pay, offer, promise or authorise the payment of money, favors, employment opportunities or anything else of value to a government official to influence government officials or to seek any improper business advantage.

**9.4** However, in the course of business it may be proper for an employee to pay for or reimburse a foreign government official for meals, hospitality, transportation, or lodging expenses associated with product promotion or contract performance activities. These types of payment are only allowed if they are:

- a) Permitted under local laws;
- b) In compliance with the Travel and Entertainment Policy and any other applicable policy; and
- c) Pre-approved in writing by the Human Resources Department.

**9.5** All approved payments must be accurately recorded in Rosemont Pharmaceuticals' books and records.

**9.6** For the purpose of this policy, a government official includes any:

- a) person acting in any official capacity on behalf of a government agency, department or instrumentality;
- b) employee of a state-owned or controlled company;
- c) employee/physician working in a state owned or controller medical facility;
- d) person or officials representing a political party;
- e) candidate for a political office; or
- f) individual who may be acting on behalf of a government (i.e., consultants and engineers).

## 10. Donations

**10.1** We support each employee's individual right to participate in the political process. Our employees may make personal contributions of time or money to the political process so long as any such contribution does not interfere with their responsibilities at Rosemont Pharmaceuticals or violate any applicable laws.

**10.2** We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior written of the Human Resources Department.

## 11. Lobbying activities

- 11.1** We may from time to time, and with the best interests of the business in mind, conduct legitimate lobbying and information activities to promote legislation, regulations and government policy favourable to our legitimate business interests, both directly and indirectly through industry associations.
- 11.2** We report all lobbying information as required to the appropriate authorities.

## 12. Record keeping

- 12.1** We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 12.2** You must declare and keep a written record of all hospitality or gifts given or received, which will be subject to managerial review.
- 12.3** 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.
- 12.4** 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.

Further guidance is held within the Gift and Hospitality Policy.

## 13. Your responsibilities

- 13.1** You must ensure that you read, understand and comply with this policy.
- 13.2** The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 13.3** You must notify your supervisor or management, a member of the Executive Committee or a member of the Human Resources Department 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 in clause 18.

## 14. How to raise a concern

- 14.1** You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.
- 14.2** 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 supervisor or management, a member of the Executive Committee or a member of the Human Resources Department **OR** report it in accordance with our Whistleblowing Policy as soon as possible.
- 14.3** If you are unsure about whether a particular act constitutes bribery or corruption, raise it with your supervisor or management, a member of the Executive Committee or a member of the Human Resources Department or with a Director.

## 15. Protection

- 15.1** 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.
- 15.2** 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. 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, you should inform the Executive Committee immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found on the Human Resources folder held within the shared drive.

## 16. Training and communication

- 16.1** Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary.

**16.2** 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.

## 17. Breaches of this policy

**17.1** Any employee who breaches this policy will face disciplinary action. This could result in dismissal for misconduct or gross misconduct.

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

## 18. Potential risk scenarios: "red flags"

**18.1** 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.

**18.2** If you encounter any of these red flags while working for us, you must report them promptly to your supervisor or management, a member of the Executive Committee or a member of the Human Resources Department **OR** using the procedure set out in the 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.

## 19. Contact details

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<b>Chief Executive Officer</b>	Howard Taylor 0113 2441400 Howard.taylor@rosemontpharma.com
<b>Protect</b> (Independent whistleblowing charity)	Helpline: 0203 117 2520 E-mail: whistle@pcaw.co.uk Website: www.pcaw.co.uk

## Policy: Anti-Corruption and Anti-Bribery

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