

Anti-Bribery & Corruption Code of Conduct

June 2018



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INTRODUCTION BY CHIEF EXECUTIVE OFFICER

Whilst Ei Group plc ("**Ei Group**") operates in an industry that is not believed to be especially prone to bad practices, the risks of bribery, corruption, fraud or theft exist in every company. Ei Group is committed to conducting its business with the highest degree of integrity. This commitment includes a zero tolerance approach towards all forms of bribery, corruption, theft and fraud and procedures within the company have been designed to minimise these risks.

This Code of Conduct has been formally approved by Ei Group's Board of Directors and extends to all of Ei Group's business dealings and transactions involving any member of Ei Group, its directors, officers, employees or third parties including, but not limited to, agents, advisors, contractors, publicans or suppliers engaged in business with Ei Group (individually known as "**Third Party**" or collectively known as "**Third Parties**").

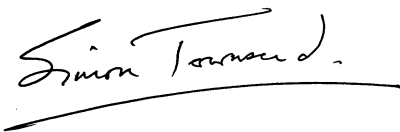
It is a mandatory requirement of Ei Group that all directors, officers, employees and Third Parties comply with this Code of Conduct and, you should ensure that you are fully familiar with its contents, refreshing your memory as necessary from time-to-time. Ei Group has appointed a Compliance Officer (whose contact details are set out in Section 6 below) to whom you can address any queries or concerns.

Engaging in fraud, bribery and corruption is unlawful and any employee, director or officer found to have breached this Code of Conduct will be liable to disciplinary action which may result in dismissal or other serious sanctions. Breaches of this Code of Conduct by Third Parties may result in immediate termination for breach of all contracts with Ei Group. Further, engaging in bribery and corruption will constitute a criminal offence which will expose both Ei Group and you personally to serious criminal sanctions including the risk of imprisonment.

All of us share a responsibility to ensure compliance with this Code of Conduct and, should you become aware that any person acting or purporting to act on the behalf of Ei Group may have committed an act of bribery, corruption or fraud, then you must report your concerns immediately to the Compliance Officer. In addition to this Code of Conduct, Ei Group operates a strict Whistleblowing policy and you can be assured that reporting any concerns will not result in you receiving any negative or retaliatory treatment from Ei Group.

I know that everyone within Ei Group shares the commitment of the Board of Directors to ensure that the highest standards of business integrity are maintained and that I can count on you for your full support.

Thank you.

A handwritten signature in black ink that reads "Simon Townsend". The signature is written in a cursive style and is underlined with a single horizontal line.

Simon Townsend
Chief Executive Officer
June 2018

1 DEFINITION OF BRIBERY AND CORRUPTION

- 1.1 For the purposes of preparing this Code of Conduct and the compliance programme associated with it, Ei Group has defined “**Bribery**” and a “**Bribe**” to mean:

“the offering, promising, giving, accepting or soliciting of an advantage (whether financial or otherwise) as an inducement for an action which is illegal or a breach of trust”.

- 1.2 Ei Group has defined “**Corrupt**”, “**Corruption**” and “**Corrupt Activities**” to mean:

“the abuse of entrusted power for private gain”.

- 1.3 To assist in the identification of behaviour or actions which may be considered to constitute a Bribe and circumstances where individuals should be particularly alert to the risk of Bribery or Corruption taking place, a non-exhaustive list of examples of acts of Bribery and indicators that an individual may be liable to engage in Corrupt Activities are set out in Schedule 1 at the end of this Code of Conduct.

2 GENERAL ANTI-BRIBERY AND CORRUPTION OBLIGATIONS

- 2.1 Ei Group is committed to conducting its business with the highest degree of integrity and in full compliance with all applicable laws. This commitment includes a zero tolerance approach towards all forms of Bribery, Corruption, collusion, theft and fraud. Ei Group is committed to maintaining appropriate checks and procedures to ensure that all persons working for or dealing with it respect and comply with this Code of Conduct.

- 2.2 Ei Group, its directors, employees, officers and Third Parties must not engage in any form of Bribery, other Corrupt Activity or collusion nor will Ei Group request that any Third Party does so on its behalf. This prohibition includes, but is not limited to, the payment or receipt of Bribes by or on the behalf of Ei Group and/or encouraging, asking or arranging for anyone else to make or receive Bribes for Ei Group.

- 2.3 This Code of Conduct has been formally approved by the Board of Directors of Ei Group and any breach will be considered by Ei Group to be a serious offence.

- 2.4 Any director, employee or officer who is found to have breached this Code of Conduct will be liable to disciplinary action in accordance with Ei Group’s disciplinary policy (which is available in the Staff Handbook located on the Intranet) which may result in dismissal or other serious sanction. Breaches of this Code of Conduct by Third Parties may result in immediate termination for breach of all contracts with Ei Group.

- 2.5 Equally, no director, employee or officer of Ei Group will face less favourable treatment nor be discriminated against in any way as a result of Ei Group losing business due to that director, employee or officer complying with their obligations under this Code of Conduct.

- 2.6 Annual completion of the e-learning Anti-Bribery and Corruption module will be required to provide awareness of, and compliance to the policy. Completion is monitored by Internal Audit and reported to the Audit Committee.

3 INTERACTION BETWEEN THIS CODE OF CONDUCT AND OTHER LAWS AND REGULATIONS

- 3.1 This Code of Conduct sets out the minimum standards and requirements which Ei Group expect its directors, officers, employees and Third Parties to adhere to. Further, any receipt of payments by Ei Group must be in accordance with the controls set out in company policies and procedures and also in accordance with the Proceeds of Crime Act 2002 and Money Laundering Regulations 2007.

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4 USE OF PERSONAL FUNDS

- 4.1 The use of money belonging to Ei Group or the use of personal funds to finance any activities which are prohibited under this Code of Conduct is strictly prohibited in all circumstances. The fact that reimbursement of the cost of any prohibited activity was not sought will not constitute justification or a defence for breaching this Code of Conduct or for committing any criminal offence.

5 EI GROUP'S GENERAL COMPANY PROCEDURES

- 5.1 Internal financial controls designed to minimise the risks of Bribery, Corruption, collusion, fraud or theft are particularly relevant in the commitment of Ei Group's funds and bank account controls and reconciliations. Therefore, Ei Group's key procedures for these are set out below for clarity:

(a) Commitment of Ei Group's funds

Ei Group's funds must not be committed without being properly authorised in writing. Ei Group's comprehensive ordering procedure must be followed when committing funds including purchase orders completed and authorisation given by the director/line manager/budget holder by the approval of the order. Invoices received without a valid order quoted will be returned to the supplier.

All invoices remitted to Ei Group must be matched to approved orders and be paid through the purchase order system. If the invoice does not match the order, the relevant director/line manager/budget holder will be required to provide additional approval.

(b) Cheque books

Cheque books must be kept in a locked safe, secure room or locked drawer and should only be used for payments where it is not possible for invoices to be rendered directly to Ei Group and for electronic payment to be made. When it is necessary for cheques to be raised, the documentation supporting the cheque must be appended and two authorised signatories from different departments are required to sign each cheque (see separate Bank Signatories and Payments procedure for cheque limits).

(c) Property expenditure

Only approved contractors are to be employed to carry out work on behalf of Ei Group. The list of these contractors is administered by the Financial Processing team.

All orders relating to property expenditure must be managed through the Property Expenditure Management system (PEMs) and be in line with the agreed authority levels as set out in the company's property expenditure procedures.

(d) Bank reconciliations

All transactions must be processed through Navision. Any non-reconciled items must be investigated by the Cashiers' Department in order to ensure a full reconciliation of the individual bank accounts at each reporting date. Any items that cannot be reconciled must be fully documented and attached to the reconciliation. All daily bank reconciliations must be reviewed and signed by two Cashiers and all period end bank reconciliations must be reviewed and signed by both the Cash Manager and the Group Chief Accountant.

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6 COMPLIANCE OFFICER

- 6.1 Whilst the Board of Directors retains ultimate accountability for compliance by Ei Group with the requirements of this Code of Conduct, Ei Group has appointed Sara Kitchen as its designated Compliance Officer.
- 6.2 Sara Kitchen is Director of Internal Audit and has day-to-day responsibility for oversight of Ei Group's Anti-Bribery and Corruption efforts and for reporting on progress and compliance with this Code of Conduct to the Board of Directors.
- 6.3 If you have any queries or comments concerning this Code of Conduct, or should you need to report any concerns regarding potential breaches of this Code of Conduct, then you should raise those in the first instance with Sara Kitchen by either emailing her at sara.kitchen@eigroupplc.com or calling her on 07392 090578.

7 FACILITATION PAYMENTS

- 7.1 Any request for a payment to be made by or on the behalf of Ei Group, or to a director, officer or employee of Ei Group or a Third Party, to facilitate a routine transaction or project (e.g. payment to a planning officer to expedite a planning application) should be considered to be at high-risk of constituting a Bribe.
- 7.2 Any request for such a facilitation payment to be made on Ei Group's behalf or to Ei Group should be reported to the Compliance Officer.

8 EMERGENCIES AND PERSONAL SAFETY

- 8.1 Ei Group acknowledges that in rare circumstances, individuals may be placed in extreme circumstances involving duress, extortion or threats to personal health or safety unless they agree to engage in conduct which would ordinarily constitute a breach of this Code of Conduct.
- 8.2 In these circumstances, the making of payments, or the taking of other actions which would ordinarily constitute a breach of this Code of Conduct, is permitted provided that the incident in question is reported to the Compliance Officer as soon as possible and the individual in question participates in any subsequent investigation by Ei Group and/or any enforcement authorities.

9 HOSPITALITY

- 9.1 As a large blue chip company it is important that Ei Group not only does the right things but that it is also seen to be doing the right things in the right way as a business. This principle is particularly important when applied to hospitality.
- 9.2 Spending time with Third Parties, outside the normal work environment, can be valuable and can assist in building good relationships and common understanding between the parties. The very nature of our industry is such that we frequently receive invitations to attend a wide range of events, including invitations to sporting or cultural events, provision of tickets to the same and participatory events such as golf, as well as the offer of gifts from Third Parties throughout the year. Therefore, it is necessary to provide a framework within which the appropriate use of hospitality can be monitored, records kept and controls exercised, and in which the risks associated with the misuse of hospitality can be minimised.

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- 9.3 Bona fide hospitality including entertainment which seeks to improve the image of a company, offers a better way to present products or services, or establish cordial relations is recognised as an established and important part of business. However, such hospitality or entertainment if not reasonable and proportionate and intended for these promotional purposes only, may be construed as a bribe. From time to time, it may be appropriate for Ei Group in the course of legitimate business dealings to provide reasonable and proportionate entertainment to Third Parties or attend corporate hospitality provided by Third Parties. Ei Group must ensure, however, that any such hospitality does not constitute (nor risk being perceived as constituting) Bribery and Ei Group must always ensure the principles of relevance, moderation and proportionality are considered.
- 9.4 Accordingly, hospitality may only be provided to Third Parties on the behalf of Ei Group or accepted on behalf of Ei Group from Third Parties if the following rules are adhered to:

(a) Authorisation

All invitations to hospitality events and requests to host events must be submitted to and approved by line managers before acceptances are made. The approval process is managed through the Ei Group Personnel System (Anti-Bribery tracker) and submissions must include the following details:

- (i) Select type of event from:
 - (A) Trade Event (e.g. Hosting of DBU Meetings, BBPA dinners, publican awards etc.)
 - (B) True Hospitality Event (e.g. social function, sporting event, meal, entertainment etc.)
 - (C) Business / Relationship Enhancing Event
- (ii) Detailed description of the event;
- (iii) The date(s) of the event;
- (iv) Event attendees (i.e. partner, family, other Ei Group employees, etc.)
- (v) The contact name and host company (if applicable);
- (vi) The recipient's name and recipient company (if applicable);
- (vii) The relationship (i.e. supplier, adviser, contractor etc.); and
- (viii) The approximate cost of the hospitality (hosting of events only).

A letter of thank you must be prepared and forwarded to the event host within seven days of the event, a copy of which should be uploaded to the Personnel System.

(b) No lavish, costly or inappropriate hospitality

Any form of hospitality with an estimated value of £1,000 or more is prohibited in all circumstances. Any other form of hospitality which might be considered to be lavish, expensive or inappropriate is also prohibited in all circumstances, regardless of value. This includes the provision of lavish and expensive meals, overnight stays in costly hotels, overseas travel and any form of adult entertainment.

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Individuals are limited to attending no more than six True Hospitality Events (as defined in 9.4 (a) (i) (B) above) during any calendar year.

(c) Hospitality to be paid for directly

Ei Group should pay the cost of any hospitality provided directly to the relevant service provider, i.e. the restaurant or hotel in question and must be in accordance with the company's Expense Policy.

In exceptional circumstances, it may be necessary to reimburse Third Parties for the cost of hospitality which Ei Group is paying for but this must be authorised by the relevant director and original itemised receipts from the applicable service providers must be obtained from the Third Party to whom payment is being made. Copy or generic receipts generated by that Third Party itself are not acceptable.

(d) No cash allowances

Under no circumstances are cash or cash allowances (such as the provision of "per day" cash payments to individuals which Ei Group has no control over the spending of and no receipts evidencing payments from that money are expected to be provided) to be paid as part of any hospitality provided by Ei Group to Third Parties or to any director, officer or employee of Ei Group by Third Parties.

(e) Group representative to be present

It is only appropriate for Ei Group to fund entertainment at which representatives of Ei Group are present or which is clearly endorsed by or connected with Ei Group.

The provision of specific entertainment for specific individuals where no representative of Ei Group is present is prohibited in all circumstances.

(f) Person to whom hospitality may be provided

In the usual course of dealings, Ei Group expects that hospitality should only be provided to those individuals with whom Ei Group has business dealings or is looking to have business dealings (for example Third Parties) and should not as a matter of course extend to the family or friends of the individual in question.

(g) Timing of hospitality

Hospitality must not be provided in order to specifically influence or attempt to influence any Third Party to follow a particular course of action, or accepted if it is considered that it is being provided by a Third Party in order to specifically influence or attempt to influence any employee, officer or director of Ei Group. Accordingly, careful consideration should be given when any hospitality is provided or accepted, particularly during the course of negotiations between Ei Group and any Third Party whilst the Third Party may be tendering for the award of any work over which the recipient of any hospitality may have any influence.

To this end, a flag will appear on the Anti-Bribery tracker when more than one True Hospitality Event has been attended with a single supplier in any calendar year.

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(h) **Absence from work**

Any time absent from work for hospitality purposes should be kept to a minimum and the current needs of the business should be borne in mind at all times.

Any more than three work time True Hospitality Events in a calendar year must be taken as annual leave.

- 9.5 In addition to applying where Ei Group is providing hospitality to a Third Party, these obligations apply equally where a Third Party offers to entertain a director, officer or employee of Ei Group.
- 9.6 Directors, officers or employees of Ei Group are only permitted to accept hospitality from Third Parties with whom Ei Group deals and which meet all of the above requirements. Directors, officers and employees of Ei Group must not accept any form of hospitality where doing so might be interpreted as accepting a Bribe or in breach of this Code of Conduct or result in any suggestion that they are obliged to act other than in the best interests of Ei Group.
- 9.7 Any offer to provide a director, officer or employee of Ei Group with hospitality, which, if accepted, would constitute a breach of this Code of Conduct, must be reported as soon as possible to the Compliance Officer. Further, if you become aware, believe or suspect any hospitality of being a Bribe, whether offered to a director, officer or employee of Ei Group or offered to a Third Party on behalf of Ei Group, you must report this as soon as possible to the Compliance Officer.
- 9.8 Team meetings hosted by Third Parties are subject to these procedures and prohibitions and should be authorised as any other form of hospitality.
- 9.9 If the company is in negotiation with a supplier, a period of closure will commence and remain in place until negotiations have been completed. Invitations to attend or accept any form of hospitality from such supplier must be declined during the closed period, even if the hospitality offered is an event which does not take place until after negotiations are expected to end. Details of suppliers that the company is in negotiation with and the relevant closed periods will be published by the Executive in the Operations Library on a monthly basis.
- 9.10 Even if the company is not in negotiation with a particular organisation, it may be appropriate from time to time to decline any hospitality from or associated with that particular organisation on the grounds that business relationships or other relevant circumstances may render such activity inappropriate. The Executive will notify the directors, officers and employees of the company of any such organisations.
- 9.11 Any form of hospitality invitation that is immediately declined by the recipient must be logged on the Ei Group Personnel system under “Declined Hospitality” category.
- 9.12 With effect from 1st January 2016, all new supplier contracts will include a declaration clause of all hospitality offered to Ei Group’s employees on a monthly basis. This will facilitate a monthly reconciliation of hospitality events logged on the Ei Group Personnel System.

10 GIFTS

- 10.1 No gifts may be given or received where doing so might be interpreted as offering a Bribe or result in any suggestion that a party is obliged to act other than in the best interests of its employer or in breach of this Code of Conduct.

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- 10.2 From time-to-time, it may be appropriate for directors, officers or employees of Ei Group in the course of legitimate business dealings to accept reasonable and proportionate small gifts from Third Parties which have a value of less than £25 (e.g. diaries, biscuits, branded glasses, etc.). Such gifts do not need to be logged however a letter of thanks should be prepared and forwarded to the provider of the gift within seven days. Ei Group's directors, officers and employees must ensure that any such gifts do not constitute (nor risk being perceived as constituting) Bribery.
- 10.3 From time to time, Third Parties may offer gifts over the value of £25. Any such gifts must either be returned or, if the provider agrees, donated to the Ei Group Charity Committee and used to raise money for charitable causes. All donations for the Ei Group Charity Committee should be delivered to reception at Head Office and an e-mail must be sent to charity.committee@eigroupplc.com confirming that a donation has been provided.
- 10.4 Unsolicited gifts should be passed to line managers for them to determine whether such gifts can be accepted or whether it should be returned to the company offering the gift. Unsolicited gifts which are accepted will be donated to the Ei Group Charity Committee.
- 10.5 The following rules must be adhered to:

(a) Letter of Thanks

Where the gift has been donated to the Ei Group Charity Committee, a letter of thanks will be prepared and forwarded to the provider of the gift by the Charity Committee.

(b) No cash gifts

Under no circumstances are cash gifts to be accepted on the behalf of Ei Group or provided to a Third Party by Ei Group. This prohibition includes any form of "cash equivalent" such as gift vouchers. In the event of a cash prize being "won" at a corporate event where attendance is in a corporate capacity, and if the value exceeds £100, the cash prize must be donated to the Charity Committee to decide how best to use it.

(c) Gifts to be of nominal value

Gifts must be of nominal value and in no circumstances should any gift be open to the accusation that it is lavish or excessive. If you need guidance regarding the suitability of a gift please seek guidance from your line manager.

Individuals providing or authorising the provision of gifts on the behalf of Ei Group or authorising the acceptance of gifts on behalf of Ei Group must keep full records of any gifts to enable Ei Group to verify compliance with this requirement.

(d) Gifts to be limited only to those dealing with Ei Group

Gifts may only be accepted from those individuals with whom Ei Group has business dealings. The acceptance of discrete gifts paid for by Third Parties must not be extended to the family or friends of the individual in question.

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(e) Gifts to be given openly

Gifts should be accepted in an open and transparent manner. Gifts must not be accepted in secret nor any attempt made to disguise the fact that a gift has been accepted on the behalf of Ei Group by a particular person.

(f) Timing of gifts

Gifts must not be accepted to specifically influence or attempt to influence any individual or Third Party to follow a particular course of action. Accordingly, careful consideration should be given to when any gift is provided or accepted and under no circumstances should gifts be given or received during the course of negotiations between Ei Group and any Third Party or whilst a Third Party may be tendering for the award of any work from Ei Group over which the recipient of any gift may have any influence.

(g) No routine gifts

Gifts must not be given or received as a matter of routine or course and should be linked in most cases to a particular occasion or event, for example the provision of small promotional items or the sending of flowers to a publican or employee.

(h) Prizes and Incentives

Where prizes and incentives are provided by suppliers, which include overseas travel and/or have a value of over £500, the proposal must be submitted to the Procurement Director and will require approval by the Commercial Review Team.

10.6 In addition to applying where a director, officer or employee of Ei Group is accepting a gift from a Third Party, the above rules apply equally where a director, officer or employee of Ei Group offers a gift to a Third Party.

10.7 Any offer to provide a gift which, if accepted, would constitute a breach of this Code of Conduct must be reported as soon as possible to the Compliance Officer.

11 PRIVATE USE OF COMPANY APPROVED SUPPLIERS

11.1 From time to time an employee of Ei Group may wish to instruct a company approved supplier such as a panel solicitor to provide personal legal services or a consultant, contractor or supplier to carry out building works and repairs at their own property. Any instructions are to be made in accordance with the company's procedure "Private Use of Company Approved Contractors". To ensure the transparency of all such transactions, it is essential that the employee receives the approval of their Line Manager and records the appropriate information for audit purposes.

(a) Authorisation

All requests to instruct a company approved supplier for private works or services must be submitted to and approved by Line Managers before acceptances are made.

The approval process is managed through the Ei Group Personnel System and submissions must include the following details:

- (i) The name, address and telephone number of the company approved supplier;
- (ii) The relationship (i.e. solicitor, supplier, contractor, consultant etc.);

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- (iii) Details of the activities to be carried out by the supplier;
- (iv) For private property works details of the property where works will be carried out;
- (v) The value of the works or services being provided;
- (vi) The proposed completion date of works or services; and
- (vii) A copy of the supplier's quotation (uploaded to the Personnel System).

On completion of the works or services, the employee should ensure that payment is made as soon as is practicable in an auditable format and that the payment reflects the level of work executed. Copies of all invoices should be uploaded to the Personnel System.

12 REPORTING CONCERNS

- 12.1 In the event that you become aware that anyone who is subject to this Code of Conduct has committed any breach (or should you suspect that they may have done so but are not certain) then you must report your concerns immediately to the Compliance Officer for further investigation.
- 12.2 Any concern which you report to the Compliance Officer will be treated in confidence and investigated as soon as possible. Unless doing so would compromise the course of any investigation or enforcement action, the Compliance Officer will keep you informed of the status and ultimate outcome of that investigation.
- 12.3 Ei Group wishes to encourage a culture where individuals feel able to raise concerns about the manner in which Ei Group is conducting its business without fear of retaliation or reprisal. Accordingly, Ei Group strictly prohibits the taking of such action against any individual who reports any breach or suspected breach of this Code of Conduct. Further details of the measures which Ei Group has taken to ensure this are set out in Ei Group's Whistleblowing policy (which is available on the Intranet).

13 DEALING WITH AGENTS, SUPPLIERS AND OTHER THIRD PARTIES

- 13.1 All Third Parties are subject to this Code of Conduct in the same way as directors, officers and employees of Ei Group are and no Third Party must be asked to do anything on the behalf of Ei Group which Ei Group is not permitted under this Code of Conduct to do directly itself.
- 13.2 Any requests from Ei Group employees for suppliers to provide goods or services for business requirements, including company events, must be submitted to the Procurement Director for prior approval. Employees must not approach suppliers directly.
- 13.3 The following specific rules apply to Ei Group's dealings with Third Parties:

(a) Due diligence to be undertaken

Before entering into any business arrangement with a Third Party, appropriate enquiries should be made by the Ei Group employee responsible for the transaction, into their background, capabilities and reputation. In particular, consideration should be given as to whether there is any suggestion or risk that the Third Party might be particularly susceptible to engaging in Bribery or other forms of Corrupt Activities.

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Engagement and negotiations with prospective publicans must be in accordance with procedures set out in the company's internal procedures and policies and in accordance with the Pubs Code Regulations 2016.

Engagement and negotiations with contractors must be in accordance with the company property expenditure procedures. Engagement and negotiations with other Third Parties must be in accordance with other internal procedures and company policies.

(b) Concerns must be reported

If you are aware (or have reason to suspect) that any Third Party has committed any breach of this Code of Conduct then you must report those concerns to the Compliance Officer in accordance with Section 12 above.

Failing to report concerns about a Third Party, “turning a blind eye” to unacceptable conduct or deliberately ignoring signs which suggest that a Third Party is, or may be engaging in Bribery or other forms of Corruption are all considered to be breaches of this Code of Conduct. In addition, such behaviour may expose the individual concerned to the risk of personal criminal liability.

(c) Payments to third parties to be reasonable and justifiable

Ei Group must avoid the accusation that it has engaged in Bribery by paying “over the odds” to any Third Party.

Whilst Ei Group accepts that given the nature of its business and the realities of commercial negotiation, there can be no definitive rule as to how payments to Third Parties should be calculated, the following guidelines must be adhered to:

- (i) In all circumstances, payments should be commercially reasonable, commensurate with the goods or services which have been provided to Ei Group and generally in accordance with the same level of charges made by other Third Parties providing similar goods or services;
- (ii) Payments must be made directly to the Third Party and remitted to a bank account located in the UK; and
- (iii) Variations to the charges payable by Ei Group to Third Parties are only permitted where those are in accordance with the agreed terms of the relevant written agreement or are otherwise agreed to by Ei Group as commercially justifiable. Sudden requests by a Third Party to significantly increase the charges payable to them where there is no apparent increase in their costs or other good justification should be considered signs that such Third Party is susceptible to engaging in Bribery or other forms of Corrupt Activities.

(d) Investigations and monitoring

From time to time Ei Group may undertake investigations of matters which involve Third Parties in order to ensure compliance with its policies and procedures (including this Code of Conduct), for audit purposes or as a result of a complaint or report. Such investigations will be conducted by, or on behalf of, the Compliance Officer. All Third Parties involved in business with Ei Group must co-operate with any such investigations or enquiries and provide documentation relating to its business with Ei Group which may from time to time be requested during such investigations or enquiries. The outcome of such investigations or enquiries will be reported to the Board.

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14 CHARITABLE AND POLITICAL DONATIONS

- 14.1 From time to time, Ei Group may make charitable donations either of its own volition or in response to requests from Third Parties.
- 14.2 Care must be taken when making any charitable donation on behalf of Ei Group to ensure that such donation is for bona fide charitable purposes and is not in reality a Bribe (or likely to be considered to be a Bribe by an independent observer).
- 14.3 Accordingly, all charitable donations to be made by Ei Group must be pre-authorized by the Executive.
- 14.4 As a matter of policy, Ei Group does not make donations to political parties and no person is authorised to make or authorise payments to political parties which purport to be on the behalf of Ei Group. This prohibition extends not only to cash donations to political parties but also, to the provision of other assistance to political parties including, but not limited to:
- (a) The purchasing of tickets to fundraising events held by political parties;
 - (b) Making donations on the behalf of Ei Group to “think tanks” or research bodies with a known affiliation to a particular political party or ideology; and/or
 - (c) Authorising any political candidate or party to represent that they are in any way affiliated with Ei Group.
- 14.5 Requests from employees for charitable donations or support from Ei Group suppliers up to a value of £100 must be directed to the Procurement Director. Employees must not approach suppliers directly.

Requests for charitable donations or support between £100 and £500 must be pre-authorized by the Charity Committee and requests in excess of £500 must be authorised by two members of the Executive Management Group.

15 SPONSORSHIP

- 15.1 Unless an individual or a company has been granted specific authority by Ei Group to do so, they/it may not enter into any sponsorship arrangement on the behalf of Ei Group nor agree that any Third Party may represent that they (or their products or services) are in any way affiliated with or sponsored or endorsed by Ei Group.
- 15.2 Any sponsorship or endorsement requests received must be referred to the Executive.
- 15.3 Anyone becoming aware that any Third Party is falsely claiming to be affiliated, sponsored or endorsed by Ei Group must report this to the Compliance Officer as soon as possible.

16 ANNUAL REVIEW

- 16.1 Although internal controls have been designed to minimise the risks of Bribery, Corruption, collusion, fraud and theft, this Code of Conduct and the supporting controls and procedures which Ei Group has put in place to assist with compliance will be subject to review by the Board of Directors at least annually and any changes or additions will be communicated to the wider business following approval.

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SCHEDULE 1

1 EXAMPLES OF ACTS OF BRIBERY AND CORRUPTION

1.1 The following is a non-exhaustive list of conduct and actions which Ei Group considers to constitute acts of Bribery:

- (a) The payment of cash or payments in kind (such as gifts, goods, services, loans, travel, accommodation, meals or expenses) to individuals who may be able to influence a decision to award work from Ei Group or to obtain favourable pricing from Ei Group or in order to secure favourable treatment from Ei Group or in any of these cases to obtain the same for members of their family or other persons associated with them;
- (b) The payment by suppliers to individuals within Ei Group in return for receiving orders or to gain a place on the list of pre-approved suppliers;
- (c) The payment of political or unauthorised charitable or donations by Ei Group where the individual requesting that Ei Group makes that donation stands to personally benefit from it;
- (d) The payment of cash or payments in kind by publicans to individuals within Ei Group in order to seek a reduction in rent or the amount of a premium if payable in respect of a new lease taken by a publican; and
- (e) The payment of cash or payments in kind by suppliers to individuals within Ei Group to overlook discrepancies in respect of the quantity of materials needed for projects.

2 EXAMPLES OF BEHAVIOUR WHICH SUGGESTS AN INCREASED RISK OF BRIBERY OR CORRUPTION

2.1 The following is a non-exhaustive list of conduct, circumstances and actions which Ei Group considers to constitute warning signs that a Third Party may be particularly susceptible to the risk of engaging in Bribery or other forms of Corrupt Activity:

- (a) Dealings with individuals or organisations who adopt an unjustified or unusual degree of secrecy and/or who refuse to answer any reasonable questions about their conduct;
- (b) Requests for Ei Group to make payment of charges due from it in cash to companies or individuals other than the party providing the goods or services; to third parties not involved in the transaction in question; and/or in the absence of a formal receipt or invoice detailing how the charges in question have been incurred;
- (c) Requests for sudden increases in charges for no apparent or justifiable reason; and/or requests for Ei Group to pay non-contractual, inflated or unexpected bonuses, commissions or expenses claims;
- (d) Any requests for Ei Group to assist in keeping transactions or accounts “off the record”;
- (e) Refusal or unwillingness of individuals to allow Ei Group to deal with anyone other than them within their organisation;
- (f) Refusal, unwillingness or undue delay in complying with Ei Group’s due diligence processes;

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(g) Refusal, unwillingness or undue delay in entering into a written agreement with Ei Group and/or continually raising further issues each time a written agreement looks likely to be concluded; and/or

Any other request, conduct or circumstance which appears to be suspicious or “not quite right” particularly if you would not wish your involvement with that request, conduct or circumstance to become a matter of public knowledge.

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