

Anti-Corruption and Anti-Bribery Policy

Introduction

This policy sets out the steps all of us must take to prevent bribery and corruption in our business and to comply with relevant legislation and Watling Tyres requirements.

What is bribery and corruption?

Corruption is the misuse of office or power for private gain. Bribery is a form of corruption. It means:

‘giving or receiving money, gifts, meals, entertainment or anything else of value

as an inducement to a person to do something which is dishonest or illegal

in the course of doing business’

In other words, bribery is designed to make a person act wrongly to secure an advantage for the giver.

Who is covered by this policy?

This policy applies to all individuals working at all levels, including senior managers, officers, directors, employees (whether permanent, fixed term or temporary), consultants, contractors, suppliers, trainees, seconded staff, homeworkers, casual workers, agency staff, volunteers, agents, sponsors or any other person associated with the Company or their employees, wherever located (collectively known as workers in this policy).

The legal position on bribery

Bribery and corruption are criminal offences in most countries where we do business. UK-incorporated companies, including ourselves, are subject to the Bribery Act 2010. Under the Act, it is illegal:

- to pay or offer to pay a bribe
- to receive or agree to receive a bribe
- to bribe a foreign public official
- for a commercial organisation, to fail to have adequate procedures in place to prevent bribery.

Our position on bribery

Our position is simple. We conduct our business to the highest legal and ethical standards. We will not be party to corruption or bribery in any form. Such acts damage our reputation and expose us, and our employees, to the risk of fines and imprisonment. We take a zero-tolerance approach to bribery and corruption by our people and our third-party representatives.

Risks of not acting with integrity

Involvement in bribery or corruption carries many risks. Among them are:

a company which pays — or accepts — bribes is not in control of its business

- and is at risk of blackmail
- the UK Bribery Act is one of the widest-ranging pieces of legislation in the field. It covers any corrupt act by a UK company (or by a foreign company trading here) wherever it occurs
- if the Company is found guilty of bribery — or even of failing to have adequate procedures in place to prevent bribery — it may be subject to large fines
- any person guilty of bribery may be subject to fines and/or imprisonment (up to 10 years under the Bribery Act)
- a public exposure, or even allegation, of bribery would entail severe reputational damage
- the cost of our insurance cover could increase very significantly, and
- good people will not want to work for us.

Benefits of integrity

Equally, there are very clear benefits to acting with propriety:

- we remain in good standing with our banks and our own suppliers and they will want to keep doing business with us
- a business with high ethical standards is a good place to work. It promotes clear communication and lets us act with confidence.

What are indicators of bribery?

Common indicators of corruption include those listed below. There may well be others.

For example:

- Payments are for abnormal amounts (e.g. commission), or made in an unusual way, e.g. what would normally be a single payment is made in stages, through a bank account never previously used, or in a currency or via a country which has no connection with the transaction
- Process is bypassed for approval or sign-off of terms or submission of tender documents, payments, or other commercial matters; those whose job it is to monitor commercial processes may be prevented from or hindered in doing so Individuals are secretive about certain matters or relationships and/or insist on dealing with them personally. They may make trips at short notice without explanation, or have a more lavish lifestyle than expected
- Decisions are taken for which there is no clear rationale
- Records are incomplete or missing

Conflicts of Interest

The best way to ensure that you will not find yourself in a position that you are perceived to have taken a bribe is to look at the areas where you may have conflicts of interest. For example, you may have a sister who works for a supplier of ours.

It is your responsibility as a worker to put the interests of Watling Tyres before your own personal interests. Therefore, if you believe there may be a conflict of interest, you should consider declaring that and not putting yourself in a position whereby you have to choose, if it is not possible for example to be objective.

For example, you may receive a complaint from a customer or supplier who is also a friend. In such a case you should declare this to your line manager and due to the nature of the complaint it may be more appropriate for someone else to deal with it.

When you determine that you have a conflict of interest you should consider the consequences and disclose the conflict to your line manager or the Health and Safety Manager.

Depending on the consequences it may be appropriate to remove yourself from the situation.

Who is responsible for this policy

The Managing Director and the board of Directors have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The Health and Safety Manager has primary and day to day responsibility for implementing this policy and for monitoring its use and effectiveness. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

Areas of specific risk Certain areas of business are often at higher risk than others.

These include:

- Gifts and hospitality.

Third parties.

We use external parties to help us achieve our business objectives. Whilst that use is important, and in some cases essential, it can involve significant risks.

Political contributions.

You should be aware that such contributions can be (or be seen as) bribes in disguise. No worker is to make a donation stated to be, or which could be taken to be, on our behalf without the prior approval of the Board.

You may, of course, make political donations in a personal capacity.

Charitable donations/Sponsorship.

Bribes may even be disguised as charitable donations or sponsorship. Whilst individuals may of course make personal donations to charity or sponsor a cause, they should not do so on behalf of the Company without prior approval from the Board.

Exceptional circumstances

There may of course be exceptional circumstances, for example if a worker is faced with a threat to his or her personal safety or that of another person if a payment is not made. In such cases, the compliance officer must be contacted immediately.

Records

It is essential that we keep full and accurate records of all our financial dealings. Transparency is vital; false or misleading records could be very damaging to us. Under money laundering regulations our lawyers and accountants are obliged to report anything which appears to be irregular.

Monitoring

All workers must observe this policy. It will count for nothing unless we do. The Health and Safety Manager will monitor it regularly to make sure it is being adhered to. In doing this they act in the interest of our business as a whole, and it is therefore the responsibility of all of us to help them in this.

Your responsibility

Everyone in the Company is responsible:

- for reading and knowing the contents of this policy
- for keeping full and accurate records of all cases where bribery is suspected
- for reporting cases where you know, or have a reasonable suspicion, that bribery has occurred or is likely to occur in our business.

What to do if you think something is wrong

Each of us has a responsibility to speak out if we discover anything corrupt or otherwise improper occurring in relation to our business. We cannot maintain our integrity unless we do that. If you discover or suspect corruption, whether:

- by another worker
- by a third party who represents us
- by one of our suppliers or competitors
- or by anyone else – perhaps even a customer seeking to get better terms from us, please report it to your line manager and the compliance officer as soon as possible.

We will investigate all allegations of corruption immediately.

Disciplinary Action

Any employee who is thought to be in breach of this policy shall be investigated in accordance with Watling Tyres Disciplinary Procedure and if evidence of bribery or corruption is

found this shall be viewed as gross misconduct and Watling Tyres reserves the right to terminate your contract of employment. We reserve the right to terminate our contractual relationships with other workers if they breach this policy.