Harworth

Anti-Corruption and Bribery Policy

This policy is endorsed by Harworth’s Board of Directors and will be reviewed regularly. This policy may be changed from time to time and you will be informed of any such changes. This policy is not contractual. This policy should be read in conjunction with Harworth’s Gifts, Sponsorship and Hospitality Policy.

POLICY STATEMENT

It is Harworth’s policy to conduct all its 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. We will uphold all laws relevant to countering bribery and corruption.

ABOUT THIS POLICY

The purpose of this policy is to:

- set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and

- provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

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 Harworth fails to prevent bribery it can face an unlimited fine, exclusion from tendering for public contracts, and damage to its reputation. We, therefore, take our legal responsibilities very seriously.

In this policy, third party means any individual or organisation you deal with during the course of your work for Harworth, 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.

WHO MUST COMPLY WITH THIS POLICY?

This policy applies to all persons working for Harworth 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.

WHO IS RESPONSIBLE FOR THE POLICY?

Harworth’s Board of Directors has overall responsibility for ensuring this policy complies with Harworth’s legal and ethical obligations. The Executive Committee has overall responsibility for ensuring that all persons who work for or on behalf of Harworth comply with the policy.

The Company Secretary has primary and day-to-day responsibility for implementing this policy, ensuring that all employees are given adequate and regular training on it, 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.
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Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy.

Comments on the policy and suggestions on ways in which it might be improved are welcome. Comments, suggestions and queries should be addressed to the Company Secretary.

WHAT ARE BRIBERY AND CORRUPTION?

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.

An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

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.

Corruption is the abuse of entrusted power or position for private gain.

Examples:

<table>
<thead>
<tr>
<th>Offering a bribe</th>
<th>You offer a prospective tenant of one of our units tickets to a major sporting event, but only if they agree to take a lease of our unit.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.</td>
</tr>
<tr>
<td>Receiving a bribe</td>
<td>An agent gives your nephew a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we appoint them as managing agent on our Business Parks portfolio.</td>
</tr>
<tr>
<td></td>
<td>It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.</td>
</tr>
</tbody>
</table>

WHAT YOU MUST NOT DO

It is not acceptable for you (or someone on your behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality for the purpose of receiving a business advantage, or of rewarding a business advantage already given;

- 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;
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- accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that we will provide a business advantage for them or anyone else in return;
- accept hospitality from a third party that is unduly lavish or extravagant under the circumstances;
- offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of the Company Secretary;
- threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- engage in any other activity that might lead to a breach of this policy.

FACILITATION PAYMENTS AND KICKBACKS

We do not make, and will not accept, facilitation payments or “kickbacks” of any kind.

Facilitation payments, also known as “back-henders”, 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.

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 raise these with the Company Secretary.

GIFTS, DONATIONS, SPONSORSHIP AND HOSPITALITY

This policy must be read in conjunction with Harworth’s Gifts, Sponsorship and Hospitality Policy, which is an important counterpart to this policy. All employees must comply with the Gifts, Sponsorship and Hospitality Policy.

RECORD-KEEPING

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

A written record of all gifts, donations, sponsorship and hospitality must be kept in accordance with the Gifts, Donations, Sponsorship and Hospitality Policy.

All expenses must be claimed in accordance with Harworth’s Expenses Policy.

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.
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YOUR RESPONSIBILITIES

You must ensure that you read, understand and comply with this policy.

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.

You must notify the Company Secretary 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 below.

HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of bribery or corruption at the earliest possible stage.

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 the Company Secretary or report it in accordance with Harworth’s Whistleblowing Policy as soon as possible.

If you are unsure about whether a particular act constitutes bribery or corruption, raise it with your line manager or the Company Secretary.

PROTECTION

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 because 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 Company Secretary immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

TRAINING AND COMMUNICATION

An explanation of this policy forms part of the induction process for all individuals who work for us, and training will be provided on it periodically.

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.
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BREACHES OF THIS POLICY

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

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

POTENTIAL RISK SCENARIOS: “RED FLAGS”

The following is a list of possible red flags that may arise when you are working for Harworth 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 to the Company Secretary or using the procedure set out in the Whistleblowing Policy.

- You become aware that one of our suppliers engages in, or has been accused of engaging in, improper business practices, or has a reputation for paying bribes, or requiring that bribes are paid to them.

- A counterparty requests payment in cash and/or asks for a payment to be documented in a side letter or refuses to sign an agreement to document a payment at all, or to provide an invoice or receipt for a payment made.

- A supplier requests that payment is made to a geographic location different to where it conducts business.

- You are offered an unusually generous gift or offered lavish hospitality by an agent or other professional adviser.

- A potential funder demands lavish entertainment or gifts before considering or commencing negotiations on a potential funding proposal.

- A third party requests that you provide employment or some other advantage to a friend or relative.

- You receive an invoice from a supplier that appears to be non-standard or customised.

- A vendor insists on receiving a commission or fee payment before committing to enter into negotiations (albeit there will be circumstances where an exclusivity fee may be payable).