

## **IP GROUP PLC AND ITS GROUP OF COMPANIES**

## **ANTI-CORRUPTION AND 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.

1.2 We will uphold all laws relevant to countering bribery and corruption throughout the world. However, we remain bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both at home and abroad.

1.3 The purpose of this policy is to:

- a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
- b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

1.4 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine, be excluded from tendering for public contracts and face damage to our reputation. We therefore take our legal responsibilities very seriously.

1.5 We have identified that the following are particular risks for our business:

- a) The Group makes use of agents and consultants, has subsidiaries and has a number of portfolio companies.
- b) Corporate hospitality and gifts: There is a risk that corporate hospitality, such as investor, customer or supplier entertainment, and the giving or receiving of gifts might be seen as bribery. Lavish hospitality or gifts must be avoided, both the giving and receiving.
- c) Interactions with Public Officials: Given the nature of the Group's activities and its portfolio companies, it is likely that workers will from time to time interact with Public Officials (as defined below). Particular care must be taken when interacting with Public Officials and guidance governing these interactions must be strictly adhered to.

1.6 To address those risks we have:

- a) adopted this policy for the Group which sets out in detail how workers (as defined below) should behave from an anti-corruption point of view. This has been sent out to each worker and their specific opt-in is required. This forms part of every employee's contract of employment, as well as the terms of the contractual relationship for other workers. There is also a supplementary statement of ethics;
- b) adopted a robust anti-corruption stance at the highest level, including making a public statement of the Group's zero tolerance to corruption both internally and externally;
- c) with respect to our portfolio companies, notified all portfolio company CEOs that we adopt a zero tolerance approach to bribery and corruption and that we expect all portfolio companies to comply with the provisions of the Bribery Act and to put in place "adequate procedures" to ensure such compliance. From 1 July 2011 onwards, all standard investment documentation (such as shareholder and loan agreements) includes specific provisions surrounding anti-bribery and anti-corruption including, as applicable, warranties and undertakings as to compliance with the Bribery Act. Where a portfolio company is assessed by the Group to represent an increased bribery or corruption risk, additional procedures will be carried out as required; and
- d) introduced a requirement for each worker to report, on a quarterly basis, all corporate hospitality and gifts made or received by them during the preceding quarter and to also seek the prior written approval from a member of the Board, Company Secretary or Senior Compliance & Risk Manager for corporate hospitality or gifts over the pre-defined limits set out in Appendix 1 of this policy.

1.7 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 investors, portfolio companies, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## 2. WHO IS COVERED BY THE POLICY?

This policy applies to all individuals working at all levels and grades, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as workers in this policy).

### 3. WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to gain any improper commercial, contractual, regulatory or personal advantage.

### 4. GIFTS AND HOSPITALITY

4.1 This policy does not prohibit normal and appropriate hospitality (given and received) to or from third parties subject to compliance with the reporting requirements in relation to these and the seeking of prior approval for corporate hospitality and gifts (both the giving and receiving of) over the limits set out in Appendix I.

4.2 The giving or receipt of gifts is not prohibited if the following requirements are met:

- a) it is not made with the intention of improperly influencing a third party to obtain or retain business or a business advantage, or to improperly reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- b) it complies with local law;
- c) it is given in our name, not in your name;
- d) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- e) it is appropriate in the circumstances. For example, in the UK it is customary for small gifts to be given at Christmas time;
- f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- g) it is given openly, not secretly; and
- h) gifts should not be offered to, or accepted from, Public Officials (as defined below), without obtaining legal advice (including from local counsel, if applicable) and the prior approval of the Board which can be requested through the Company Secretary.

4.3 Particular care should be taken when dealing, directly or indirectly, with Public Officials. The definition of Public Officials is broad and includes any:

- a) employee of a state-owned or state-controlled company or entity (which may include certain universities);
- b) officer or employee, or anyone acting on their behalf, of any department, agency or instrument of a government (at any level);
- a) elected political representative or candidate for public office;
- b) political party and any officer, employee or other person acting on behalf of a political party;
- c) member of a ruling or royal family;
- d) officer or employee of a public international organisation (for example, the United Nations and the World Bank); and
- e) family member of any of the above.

4.4 We appreciate that the practice of giving business gifts 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 or hospitality is reasonable and justifiable.

The intention behind the gift should always be considered.

### 5. WHAT IS NOT ACCEPTABLE?

5.1 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, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

- d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- f) engage in any activity that might lead to a breach of this policy.

5.2 It is not acceptable to accept or give gifts or corporate hospitality which exceed the limits set out in Appendix I without seeking prior approval from the Senior Compliance & Risk Manager, Company Secretary or the Chief Financial and Operating Officer.

## **6. FACILITATION PAYMENTS AND KICKBACKS**

6.1 We do not make, and will not accept, facilitation payments or “kickbacks” of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions.

6.2 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 or the Chief Financial and Operating Officer.

6.3 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

## **7. DONATIONS**

We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation on behalf of the Group must be offered or made without the prior approval of the Company Secretary or the Chief Financial and Operating Officer.

## **8. YOUR RESPONSIBILITIES**

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

8.2 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. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

8.3 You must notify the Company Secretary or the Chief Financial and Operating Officer 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, supplier or investor or potential client, supplier of investor 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 the Schedule.

8.4 Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this policy.

## **9. RECORD-KEEPING**

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

9.2 You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review. You will be required to formally report these on a quarterly basis or confirm in writing that you have received no hospitality or gifts during each quarterly period.

9.3 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

9.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers, investors and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

## **10. HOW TO RAISE A CONCERN**

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Company Secretary, the Chief Financial and Operating Officer or any other member of the Board. Concerns should be reported by following the procedure set out in the Speaking Up section in the Employee Handbook.

## **11. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION**

It is important that you tell the Company Secretary or the Chief Financial and Operating Officer as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

## **12. PROTECTION**

12.1 Workers who refuse to accept or offer a bribe, or those 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.

12.2 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 Company Secretary or the Chief Financial and Operating Officer immediately, or use our external speaking up hotline operated by Navex (please see the 'Speaking up' Policy for further details). If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure, which can be found in the Employee Handbook.

## **13. TRAINING AND COMMUNICATION**

13.1 Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant and proportionate training on how to implement and adhere to this policy.

13.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, co-investors, spin-out companies, agents, intermediaries, contractors and university partners at the outset of our business relationship with them and as appropriate thereafter.

## **14. WHO IS RESPONSIBLE FOR THE POLICY?**

14.1 The Board of Directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

14.2 The Chief Financial and Operating Officer has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. 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.

## **15. MONITORING AND REVIEW**

15.1 The CEO, supported by the Company Secretary and the Chief Financial and Operating Officer, will monitor the effectiveness and review the implementation of this policy regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

15.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.

15.3 Workers 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 Company Secretary.

## POTENTIAL RISK SCENARIOS: “RED FLAGS”

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.

If you encounter any of these red flags while working for us, you must report them promptly to the Company Secretary or the Chief Financial and Operating Officer or using the procedure set out in the whistleblowing section of the Employee Handbook:

- 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
- h. continuing contractual negotiations or provision of services;
- i. a third party requests that a payment is made to “overlook” potential legal violations;
- j. a third party requests that you provide employment or some other advantage to a friend or relative;
- k. you receive an invoice from a third party that appears to be non-standard or customised;
- l. a third party insists on the use of side letters or refuses to put terms agreed in writing;
- m. you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- n. 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;
- o. you are offered an unusually generous gift or offered lavish hospitality by a third party.



## APPENDIX I – PRE-APPROVAL LIMITS

It is not acceptable to give or accept gifts or corporate hospitality which have any of the characteristics set out below without seeking prior approval from the Senior Compliance & Risk Manager, Company Secretary or the Chief Financial and Operating Officer.

- Gifts which exceed £100 in value;
- Corporate hospitality which exceeds (or is expected to exceed if the cost is not known) £250 per person;
- It may be difficult to ascertain the value of corporate hospitality received, therefore any hospitality which extends for longer than a period of one day (including one overnight stay if necessary) or includes compensated travel to a foreign country require prior approval;
- Corporate hospitality which is extended to family members.

The financial thresholds above apply to gifts and/or corporate hospitality as a whole, not each separate element of it. For example, a meal followed by attendance at a sporting event must be treated as one event. Similarly, a series of gifts to or from the same individual or entity should be treated as a single gift.

It is not acceptable to give or accept gifts of corporate hospitality to or from any Public Official (as defined in this policy) without seeking prior approval from the Board which can be requested through the Company Secretary.

If you are in any doubt as to whether a gift or incidence of corporate hospitality requires preapproval, please seek the advice of the Senior Compliance & Risk Manager, Company Secretary or the Chief Financial and Operating Officer.