

# Arran Isle Limited and its Subsidiary Companies (“Arran Isle”) Bribery, Corruption, Fraud and Theft Policy Statement

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## Introduction

Arran Isle has a zero tolerance approach to bribery, corruption, fraud, theft or similar illegal behaviour. The Group strives to maintain the highest standards of governance, personal and corporate ethics, compliance with all laws and regulations, and values integrity and honesty in dealings with employees, customers, suppliers and all other stakeholders.

Illegal acts involving employees may result in substantial losses to the Group and most importantly the impairment of its reputation, loss of customers, etc.

Information about bribery, corruption, fraud, theft or similar illegal behaviour is therefore important. For this reason, all events indicating such behaviour must be reported immediately to the business unit Managing Director or alternatively using the Arran Isle Whistle Blowing Policy procedures.

This policy supports and expands on the Arran Isle’s Code of Business Conduct.

## Policy

- Employees must not use their position or role either directly or indirectly for personal gain, from any customer, supplier or third party.
- Employees shall uphold and enhance the standing of the Group by maintaining an unimpeachable standard of honesty, impartiality and integrity in all their business relationships.
- Employees are prohibited from participating in, acquiescing to, or condoning any criminal activity or illegal behaviour.
- An employee who has any knowledge of bribery, corruption or theft must report this to their Managing Director (or equivalent), or via the Group’s Whistleblowing Procedures. The Group will make all proper efforts to protect the confidentiality of employees who do raise concerns.
- Bribes and facilitating payments are strictly prohibited.

## Procedures

### Employees’ Responsibilities

A relationship of trust exists between the Group and each of its employees, and the employee bears a fiduciary responsibility to take reasonable action to prevent harm to his/her employer. Employees are accountable for their actions and omissions.

As soon as an employee becomes aware of bribery, corruption, fraud, theft or similar illegal behaviour taking place in his/her working environment, they must immediately report this using one of the methods listed below.

Failure to do so may result in disciplinary action against that employee, depending on the circumstances.

### Bribes and Facilitating Payments

The acceptance of a bribe or any other tainted benefit is strictly prohibited. Specifically, we never directly or indirectly (i.e. through a third party intermediary) offer, solicit or accept a reward or benefit which seeks to induce a person to do anything improper or illegal.

In some countries, facilitating payments, or “grease” payments are often paid to officials to smooth relevant processes of official actions. It is often commented that without these types of payment, it is impractical to get business done. The UK Bribery Act mandates that all such payments, no matter how small or routine, or expected by local customs, would be illegal from a UK perspective regardless of the location of the payments.

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Arran Isle does not, and will not, directly or indirectly pay any facilitating payments to any officials in order to expedite the performance of their duties which they are already bound to perform.

Arran Isle has a zero tolerance approach to bribes and facilitating payments. If in doubt, please contact the Arran Isle Corporate Services Director for clarification and/or assistance.

### Discovery of an Incident

All employees who know about or suspect bribery, corruption, fraud, theft or similar illegal behaviour (or a significant control breakdown) must immediately report the matter as follows:

- Either to their Managing Director (or equivalent), who in turn is required to immediately report the incident to the Arran Isle Corporate Services Director; OR
- An employee may opt to report the matter directly to the Arran Isle Corporate Services Director using the Arran Isle Whistle Blowing procedures when the employee may report his/her concerns and remain anonymous.

### During the Incident

- The Managing Director must, in coordination/consultation with the Arran Isle Corporate Services Director take all actions necessary or appropriate to preserve and safeguard the legal and financial interests of the Group.

### After the Incident

- The Managing Director must take all actions (within legal boundaries) necessary to ensure that the incident does not occur again. This may include revising the current process or implementing new controls and/or processes.

### Investigation and Prosecution

- All reported incidents will be investigated and will be conducted with due respect of the rights of all parties involved.
- In order to conduct a complete investigation, Arran Isle may employ the services of external persons and/or specialist investigative techniques. This could include private investigative firms, undercover agents, hand writing experts, etc.
- Persons authorised to conduct investigations will have access to all records, data and information pertaining to the investigation.
- All employees are required to co-operate with the persons conducting the investigation. Failure to do so will result in disciplinary action being taken against the employee.
- Consistency will be applied at all times, with no discrimination, irrespective of title or length of service.

### Disciplinary Procedures and Recovery of Losses

- Prompt and effective action must be taken to minimise losses and to demonstrate the Group’s commitment to zero tolerance towards acts of bribery, corruption, fraud, theft and similar illegal behaviour.
- The management at the operating business where the bribery, corruption, fraud, theft and similar illegal behaviour occurred will be responsible to institute disciplinary action against the relevant employee. An internal disciplinary meeting must be held and due care must be taken to ensure that a consistent approach is taken at all times.
- It is illegal to force an employee to pay restitution for the losses caused by his/her illegal conduct. However, should an employee offer to pay for the damage or losses, such payment can be accepted. In such a situation the employee must sign an acknowledgement of debt. It is important that the employee signs and agrees to this freely, voluntarily and without any coercion.

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- Any employee who engages in illegal activity while performing their responsibilities, regardless of whether a Group business has suffered a loss, shall be subject to severe sanctions, which may include, among other possible remedies, termination of employment and/or prosecution.

### **Protection**

- All information reported to the Group will be treated as strictly confidential.
- All employees who disclose information regarding unlawful or irregular conduct taking place within the Group, either by the company or fellow employees may do so without fear of retribution and/or victimisation.
- However, an employee will forfeit this protection if the employee makes a disclosure:
  - Where the information is untrue; OR
  - Maliciously or otherwise in bad faith; OR
  - Which is obviously fabricated, false or groundless; OR
  - Principally for the purpose of obtaining payment; OR
  - To damage the reputation of a fellow employee; OR
  - For personal gain.

### **Definitions**

#### **Bribery and Corruption**

The misuse of office for unofficial ends and/or the perversion of integrity by bribery or favour. Examples include, but are not limited to:

- Failure to disclose a personal involvement/interest with a supplier or customer;
- Requesting, or accepting a personal payment or benefit from a customer or supplier;
- Collusion with a supplier to inflate prices;
- Threatening a supplier with termination of a business arrangement should the supplier be reluctant to pay a bribe or incentive to the employee.

#### **Fraud**

The unlawful and intentional making of a misrepresentation which causes actual or potential loss to another. Examples include, but are not limited to:

- Ghost employees;
- Inaccurate timesheets;
- Fictitious overtime claims;
- Fictitious or exaggerated expense claims;
- Fictitious purchase orders and/or invoices;
- Unauthorised alterations to cheques;
- Manipulation and abuse of computer systems, access, authority levels, data and information, and emails;
- Manipulation of prices for one’s own gain;
- Procurement irregularities;
- Alterations to invoices subsequent to authorisation;
- Use of the Group’s assets for personal use.

#### **Theft**

The unlawful and intentional misappropriation of another’s property with the intention of permanently depriving them the use thereof. Examples include, but are not limited to:

- Unauthorised removal of money, assets, stationery and other consumables;
- Using Group time and resources to conduct activities for personal gain.

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**Implementation & Review**

This policy will be reviewed annually by the Group Board of Directors and implemented and maintained by senior managers and relevant employees who interact at any level with customers, suppliers and other external parties.

**Communication**

It is the responsibility of the legal entity or business unit’s Managing Director (or equivalent) to ensure that this policy is regularly communicated to all employees and to all new employees when they join the business.



**Martin Wardhaugh  
Group Chief Executive  
February 2019**