

## Hayward Aviation Ltd Bribery and Corruption Policy

Hayward Aviation Limited agrees to the principle of free and fair competition in relation to the pursuit of new business and the retention of existing business.

It is Hayward Aviation Limited's policy not to tolerate the use of bribes and/or corrupt practices in its pursuit of new business, the retention of existing business or in its business related activities with other parties. This policy applies to all employees, agents and associates/third parties of Hayward Aviation Limited worldwide.

Hayward Aviation Limited agrees to comply with the Bribery Act 2010.

This policy is not however meant to prohibit the following customary practices in a particular market that are proportionate and properly recorded:

- normal and appropriate expenditure on hospitality and promotional activities
- the giving of a ceremonial gift on a festival or at another special time
- the use of any recognised fast-track process which is available to all on payment of a fee

This policy is given force in the following ways:

### Employees

Each employee needs to recognise what a bribe is.

All employees completed the online Anti-Bribery and Corruption in Payments to Third Parties training module prior to the Bribery Act 2010 being introduced. Bribery and corruption training is also to be included within the induction program for all new employees.

Should you have any doubts as to what constitutes a bribe after completion of the online training module these should be brought to the attention of the Compliance Officer.

### What Should I do If Offered a Bribe

For example you are about to close a very lucrative deal and are advised that you need to arrange for a payment of XX amount to be paid to an unknown third party as he will help smooth the transaction! What do you do?

1. Explain to the person requesting this that this would need to be signed off by your Compliance Department as it is outside your authority to agree this.
2. Contact the Compliance Officer and advise what has been requested.
3. The Compliance Officer will advise what action/questions you will need to ask to establish if this is a concern and advise if you should walk away from the deal.

The above is an extreme example of how the procedures in place allow you to remove yourself from being put on the spot, and inadvertently agreeing to something that could potentially be a bribe, resulting in a prison sentence for you and fines for Hayward Aviation Ltd.

You must not agree to a process just because **“this is the way things are done here to get business done”**. This is a potential problem when dealing with agents/clients in countries outside of Western Europe or North America and is not a defence against the Bribery Act.

### What Should You do if Suspicious About a Transaction

If in doubt about any thing you are asked to do, agree or accept please contact the Compliance Officer immediately for advice and guidance. All information given to the Compliance Officer remains confidential (per the whistleblower policy). Should the concerns relate to the Compliance Officer the initial notification is to be made to Group Compliance.

Any suggestions on how bribery prevention procedures can be improved should be referred to the Compliance Officer.

Failure to comply with this policy will result in disciplinary action being taken against the employee(s) concerned.

### Board Members

As well as complying with the policy for employees Board Members are expected to assist the Compliance Officer in responding to declarations made to Hayward Aviation Limited from employees or other parties, so that an agreed course of action can be taken.

The approval of expenses must take into account that the expenses do not relate to securing a financial or other advantage from another person and that they are proportionate to normal standards of hospitality within the industry.

### Compliance Officer

As well as complying with the policy for employees the Compliance Officer is to maintain a secure record of each declaration made to Hayward Aviation Limited and keep the identity of the source confidential. Details of the source may need to be provided to outside agencies such as the Serious Fraud Office (SFO) where these agencies maintain the same strict levels of confidentiality.

Liaise with a Board Member or in the absence of a Board Member, Group Compliance prior to responding to declarations made to Hayward Aviation Limited.

Maintain the Hayward Aviation Limited Gift register.

Include the Bribery Act 2010 within the ongoing training program that is rolled out to staff.

### Procedure for the appointment of Agents, Introducers, Third Parties and their associates

All existing agents and/or associates/third parties with whom Hayward Aviation has dealings with are to be advised of Hayward Aviation Limited's obligations under the Bribery Act 2010 and advised as the representatives of Hayward Aviation Limited they will be expected to abide with the Bribery Act. Should Hayward Aviation Limited be advised or become concerned that an agent/associate or third party is not complying with the Bribery Act, we reserve the right to terminate all business with that agent/associate or third party.

#### **To Bribe Another**

It an offence for employees, agents and associates/third parties of Hayward Aviation Limited to offer, promise or give a financial or other advantage to another person in the following cases:

- 1 where we intend the advantage to bring about the improper performance by another person of a relevant function or activity or to reward such improper performance.
- 2 where we know or believe that the acceptance of the advantage offered, promised or given in itself constitutes the improper performance of a relevant function or activity.

#### **Hayward Aviation Limited's response**

For employees, agents and associates/third parties of Hayward Aviation Limited to bribe another as described would not only breach the principle of free and fair competition which Hayward Aviation Limited believes in but it would also be an offence under the Bribery Act 2010 which Hayward Aviation Limited agrees to abide by as Company policy. Measures as to how Hayward Aviation Limited intends to prevent bribery are quoted below.

### **Being Bribed**

It is an offence for employees, agents and associates/third parties of Hayward Aviation Limited to request, accept or agree to accept an advantage, in exchange for improperly performing a function or activity.

### **Bribery of a foreign public official**

The offence is committed where an employee, agent and associate/third party of Hayward Aviation Limited offers, promises or gives a financial or other advantage to a foreign public official with the intention of influencing the official in the performance of his or her official functions. The employee, agent and associate/third party offering, promising or giving the advantage must also intend to obtain or retain business or an advantage in the conduct of business of Hayward Aviation Limited by doing so. However, an offence is not committed where the official is permitted or required by the applicable written law to be influenced by the advantage. A 'foreign public official' includes officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind in a country or territory outside the United Kingdom. It also includes any person who performs public functions in any branch of the national, local or municipal government of such a country or territory or who exercises a public function for any public agency or public enterprise of such a country or territory, such as officers exercising public functions in state-owned enterprises. Foreign officials can also be an official or agent of an international organisation, such as the United Nations.

### **Failure of commercial organisations to prevent bribery**

Hayward Aviation Limited alone can commit an offence under section 7 of the Bribery Act. It is for the courts to determine whether Hayward Aviation Limited commit an offence under section 7. Hayward Aviation Limited is liable under section 7 in the event that a person 'associated' with it bribes another person intending to obtain or retain business or a business advantage for Hayward Aviation Limited. A person associated with Hayward Aviation Limited is defined as a person who 'performs services' for or on behalf of Hayward Aviation Limited.

For employees, agents and associates/third parties of Hayward Aviation Limited to receive a bribe from another as described also breaches the principle of free and fair competition and offence under the Bribery Act 2010 which Hayward Aviation Limited agrees to abide by as Company policy. The measures as to how Hayward Aviation Limited intends to prevent bribery are quoted below.

### **Hayward Aviation Limited's response**

Hayward Aviation Limited is aware for it to trade legitimately in many countries outside the United Kingdom permission may need to be obtained from persons who are covered by the definition of a 'foreign public official' as described in the Bribery Act 2010. It is company policy to comply with the provisions of Section 6 of Bribery Act 2010. Employees, agents and associates/third parties of Hayward Aviation Limited may under no circumstances bribe a foreign public official to obtain or retain business.

Hayward Aviation Limited will rely on the fact that as a result of the foreign public official(s) non performance their official functions the subject matter of Insurance would not be insured when on many occasions this will breach a legal requirement for it to be insured. This fact would provide enough pressure for the foreign public official in question to perform their official function without an employee, agent and associate/third party of Hayward Aviation Limited having to promise or give a financial or other advantage to that foreign public official.

Hayward Aviation Limited's defence for any action under section 7 of the Bribery Act is to adopt the measures detailed herein in the relationship with employees, agents introducers and associates / third parties, and by requesting that agents introducers and associates / third parties to adopt a similar approach with the next party in the chain.

The person can be an individual or an incorporated or unincorporated body. The capacity in which a person performs services for or on behalf of Hayward Aviation Limited does not matter. However, whether a person is performing services for Hayward Aviation Limited is to be determined by reference to all the relevant circumstances and not merely by reference to the nature of the relationship between that person and Hayward Aviation Limited. The term 'performs services' is broad scope so as to embrace the whole range of persons connected to Hayward Aviation Limited who might be capable of committing bribery on Hayward Aviation Limited's behalf.

**Hayward Aviation Limited's measures to prevent bribery.**

- 1      Proportionate procedures                      The following measures are proportionate in that they vary dependent on how the risk is assessed. Although the policy applies to all employees additional requirements are placed on Board members and Compliance Officer.
  
- 2      Top-level commitment                              The Board of Hayward Aviation Limited are committed to complying with the Bribery Act 2010. The Chairman or Managing Director are involved in the approval of expenses and Board Members are to be consulted by the Compliance Officer to agree upon a course of action relating to any declarations made to Hayward Aviation Limited by employees or other parties.
  
- 3      Risk Assessment                                      Hayward Aviation Limited is aware that its potential exposure under the bribery Act 2010 could vary enormously from low risk to very high risk. To assess the potential exposure faced, Hayward Aviation Limited has imbedded into its broking system Transparency International's Bribery Corruption Index to trigger the inclusion within e-mail communications to agents and associates/third parties, a reminder of their obligations under the bribery Act 2010 when placing new business or retaining existing business in countries Transparency International rate as medium or high risk.

- 4 Due diligence
- Hayward Aviation Limited applies due diligence procedures, in respect of persons who perform or will perform services for or on behalf of Hayward Aviation Limited.
- The application of the bribery procedure is to be included within the peer review of each completed file and the quality monitoring audits carried out by the compliance department.
- Hayward Aviation Limited recognises that particular care needs to be applied where local law or convention dictates the use of local agents. In countries rated by Transparency International as high risk Hayward Aviation Limited conducts indirect investigations and general research on proposed clients, agents and associates/third parties. In addition to the stringent criteria in place for the acceptance of new agents.
- 5 Communication (including training)
- Hayward Aviation Limited's policy is communicated to all employees with a requirement that they not only acknowledge receipt but confirm they read and understand it. A record is retained within the Broker ACCESS record of each employee. In addition each employee is required to undertake the Anti-Bribery and Corruption Course within Broker ACCESS and achieve an score of at least 80%. Further group training relating to Bribery and Corruption is incorporated into the rolling program of training given by the Compliance Officer. Communications with introducers / third parties are to emphasise that payments are made on the understanding that the introducers / third parties comply with the with the Bribery Act 2010 in the dealings they have with their contacts.
- Concerns about bribery, suggestions for improvement of bribery prevention procedures and questions or requests for clarification from employees or agent introducers and associates / third parties are handled confidentially by the Compliance Officer.
- 6 Monitoring and review
- This policy is to be reviewed at least annually or more frequently should changes to legislation be proposed/ introduced. Reviews of other company policies and procedures are to include a requirement that that they be checked for compliance with the Bribery Act 2010. In addition Hayward Aviation Limited will monitor reports from external parties such as BIBA and Lloyd's alongside communications from legal firms and the FSA and suggestions from employees as an ongoing process and adjusted procedures where necessary.