



iPRO Group

Corporate Ethics Policy (Suppliers)

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iPRO Corporate Ethics Policy

Contents

Chapter	Title	Page No
1	Purpose	3
2	Background - UK Bribery Act 2010	3
3	Legal Obligations	3
4	Penalties	5
5	Business Partners	5
6	Conflicts of Interest	6
7	Giving & Receiving Gifts & Entertainment	6
8	Facilitation Payments	7
9	Accountability	7
10	Managers Additional Responsibilities	7
11	Acquisitions, New Starts & Integrations	7
12	Compliance Reporting	7
13	Contact Details	7
14	Protection Against Retaliation	8
15	Summary	8
-	Appendix 1: Declaration of Limits Per Country	9
	Conflict Minerals	10
	Child Labour & Slavery	11

1. Purpose

The purpose of this policy is to provide clear guidance on how iPRO employees and suppliers should conduct themselves when doing business as representatives of or in relation to iPRO. It covers all iPRO companies globally. **Everyone in iPRO is responsible for adhering to this policy.**

2. Background – UK Bribery Act 2010 (“The Act”)

Although this policy is designed to give clarity on how we expect all of our employees to behave in their approach to doing business. The enactment of the UK Bribery Act (which became law from 1st July 2011) was the original catalyst for having a specific policy.

iPRO takes allegations of improper or illegal conduct by the company, its employees and partners very seriously and employees will be required to cooperate fully with any investigations into such allegations.

Best practice in the area of Anti-Bribery and Corruption is to consider and follow six key principles. iPRO has followed these in constructing its approach to this subject, and to the question of corporate ethics generally.

- Principle 1: Proportionate Procedures
- Principle 2: Top Level Commitment
- Principle 3: Risk Assessment
- Principle 4: Due Diligence
- Principle 5: Communication and Training
- Principle 6: Monitoring & Review

3. Legal Obligations

The Act came into force in the UK in July 2011. For the first time in the UK, it became specifically illegal for companies to benefit from bribery wherever in the world it occurs. It also requires commercial organisations to take steps to prevent bribery by their employees and agents or business partners when the latter could be seen as representing that company.

This legislation is important for all companies regardless of where they are based in the world and regardless of the local legislation they are subject to. The reason for this is that The Act was written to apply to all companies who have either a UK parent or subsidiary. In theory then, any iPRO company could be prosecuted in the UK for a perceived offence regardless of which iPRO company is accused of an offence or where the alleged offence took place. Some examples of companies convicted previously and the punishments received are contained within Appendix 5.

iPRO is committed to going beyond the legal minimum; however this section is intended to inform you of the main provisions under The Act relevant to iPRO and its employees.

- It is an offence to bribe another person by promising or giving a financial or other advantage to any other person with the intention of inducing that person to perform improperly a *relevant function or activity* either in advance of afterwards.
- It is an offence to promise or give a financial or other advantage to another person knowing or believing that acceptance of the advantage is itself constituting improper performance.

- It is an offence to ask for, agree to receive or receive a financial or other advantage as a reward for improper performance of a relevant function or activity.
- It does not matter if the person offering the advantage is the one directly benefiting, or if it is intended for a third party to benefit. An offence has been committed nonetheless.
- It does not matter if the person asking for, agreeing to receive or receiving the advantage does so through a third party. An offence has been committed nonetheless.
- Bribery committed both inside and outside of the United Kingdom and by both public and private sector organisations are covered by the Act.

A relevant function or activity is:

- Any function of a public nature
- Any activity connected with a business
- Any activity performed in the course of a person's employment
- Any activity performed by or on behalf of the company

The tests of whether an offence is committed by a person are:

- A person performing the function or activity is expected to perform it in good faith
- A person performing the function or activity is expected to perform it impartially
- A person performing the function or activity is in a position of trust by virtue of performing it

Expectation test:

- The test of what is expected is a test of what a reasonable person in the United Kingdom would expect in relation to the performance of the type of function or activity concerned

A company is guilty of an offence if:

- A person associated with it bribes another person with the intention to retain the business for the company or to obtain or retain an advantage in the conduct of the company's business

The only defence for a company is to:

- Prove that it had in place the adequate procedures designed to prevent people associated with it from undertaking such conduct

All of the new offences will have extra-territorial application. Offences will be prosecuted if the alleged to be committed in any of the following ways:

- By a British National or Company
- By a person who is ordinarily resident in the UK
- If the alleged offence occurs within the UK
- If the alleged offender is a company and they have a business presence in the UK regardless of where the bribe is paid

- If an offence occurs overseas, there may also be local legislation that will apply as well as the above.

4. Penalties

On conviction, a iPRO employee who is found guilty of committing an offence is liable for the following maximum penalties:

- Imprisonment for a term up to 10 years, or
- A fine up to the statutory maximum (currently £5k), or
- Both of the above

On conviction, iPRO would be found guilty of an offence and liable for the following maximum penalties:

- A fine – the statutory minimum is currently £5k upon summary conviction
- An unlimited fine upon indictment
- Individual officers of the company do not carry any personal liability but will clearly wish to avoid reputational issues which would arise from a conviction.

5. Business Partners

iPRO has an obligation to ensure that business partners do not act in a manner contrary to the act on our behalf. Whilst not an exhaustive list, a business partner could include the following (where either actual or prospective relationships exist):

- Client of and supplier to iPRO
- Introducer of business to iPRO
- Insolvency practitioner
- Solicitor or provider of legal/collection services
- Accountant or provider of business advice
- Competitor
- Services Provider
- Trade supplier
- Landlord to a iPRO company
- Tenant of a iPRO company
- Employee (or potential employee) of iPRO, its subsidiaries or its parent

An example of a situation where iPRO could be prosecuted due to the actions of a business partner is where an introducer pays a bribe to a decision maker at a prospective client to choose iPRO over another finance provider.

iPRO is committed to dealing transparently with all business partners and it is expected that key terms of business are confirmed in writing, and that business partners are aware of our zero tolerance approach to bribery offences or behaviour contrary to this policy from partners or those who purport to represent us.

6. Conflicts of Interest

A conflict of interest is any situation where an employee's personal or financial interest's conflict with those of iPRO. Whilst it is not possible to define all such conflicts the following will provide some guidance:

- Never allow your personal or financial interests to interfere with your duty to iPRO
- In any dealing with a business partner do not request, offer, or accept anything of significant value
- Avoid situations where your personal or family relationships could compromise your ability to act in iPRO's best interests.
- Do not work for a business partner even in your own time without first obtaining approval from your line manager.
- iPRO contract of employment also carries some guidance in this area.

7. Giving and Receiving Gifts and Entertainment

The occasional exchange of business gifts, meals and entertainment is a common practice meant to create goodwill and establish trust in business relationships and it is accepted that this is common practice within our industry. Gifts or entertainment should be routine and inexpensive not lavish or extraordinary in comparison to our industry as a whole.

Where gifts or entertainment are given to any business partners they must comply with the following:

- Gifts and entertainment should be of nominal value (maximum value £500 GBP or local equivalent as listed in appendix 4)
- The maximum amount of giving gifts or entertainment to the same business partner per calendar year is £500 GBP or local equivalent per appendix 4
- Exceptions to the above should be pre-approved only by the CEO and be recorded on the company's register of gifts and hospitality
- Gifts must be given in an open and transparent manner and not to influence a business partners action or conduct
- Gifts must not be made to regulators, civil servants or government officials
- Gifts must never be in cash or cash equivalents

iPRO employees must only accept only modest and occasional business courtesies. If the receipt of business courtesies becomes excessive, it can create a sense of obligation that can interfere with an employee's duty to act in iPRO's best interests.

iPRO employees may accept business courtesies, but they should be modest enough not to interfere with sound business judgment, and must not create an appearance of impropriety. As such, they must comply with the following:

- Gifts and entertainment received must be of nominal value (maximum £500 GBP or local equivalent as listed in appendix 4)
- The maximum amount of gifts and entertainment received from the same business per calendar year is £500 GBP or local equivalent per appendix 5
- Exceptions to the above should be pre-approved only by the CEO and be recorded on the company's register of gifts and hospitality
- Gifts offered in cash or cash equivalents must never be accepted and the offer should be reported to the Managing Director, Executive Director or Head of Business.

8. Facilitation Payments

These are small, low level bribes paid to facilitate routine government action. An example may involve giving cash or a small gift to a government employee in order for them to undertake any activity that they should do as a matter of course such as allowing entry to or passage through an area, or to speed up granting of licences etc.

Facilitation payments are illegal as well as perpetuating a 'culture' of bribery. No iPRO employee must ever make or allow to be made a facilitation payment.

9. Accountability

Everyone in iPRO is responsible for adhering to this policy. If you do not understand any part of the policy or our expectations of your behaviour it is your responsibility to ask a manager or speak to your line manager.

You are responsible for reviewing the policy annually and confirming that you have done so. Failure to adhere to policy may result in action under the company disciplinary policy.

Additionally, you need to remember that legal obligations and penalties apply TO YOU.

10. Managers Additional Responsibilities

iPRO managers and Directors must lead by example.

This means not only allowing, but also encouraging employees to ask questions, make suggestions and report concerns or wrongdoing.

When allegations of wrongdoing are brought to their attention, managers must assist in thoroughly investigating the allegation.

11. Acquisitions, New Starts and Integrations

Where iPRO looks to purchase a business or start up in a new country or region, a risk assessment of the existing or proposed procedures must be undertaken. If the conclusion is that the procedures are below the standard expected within this document, then a plan to correct must form part of the due diligence report and proposed integration plan.

12. Compliance Reporting

iPRO is required to submit a declaration stating that all training in this area is up to date and that anything noteworthy under this policy has been reported.

13. Contact Details

If you are aware of any breach of the policy or the law, you must report it. Speak to your line manager.

You can also speak confidentially to the following officers if you wish:

- Martin Deas (Director)

- Tony Wall (CEO)
- David Haley (MD)

14. Protection Against Retaliation

iPRO strictly prohibits retaliation against anyone who makes a report in good faith of a legal or policy breach. If, however, a report is made in bad faith – for instance if a false or misleading report is made a deliberate effort to get someone in trouble (as opposed to an honest mistake) – the person making the report may be subject to action under the iPRO disciplinary policy.

15. Summary

This policy seeks to cover the minimum standard acceptable in this area. It does not intend to cover every issue that may arise. All employees are expected to use their own good judgment as a guide. If you need help deciding how to handle something, need to make a report, or need support in 'doing the right thing' you should firstly go to your lines manager. If you do not feel comfortable doing so, contact a director or any of the individuals listed in the 'contact details' section.

APPENDIX 1

Gifts & Hospitality – Declaration Limits of iPRO Country

Country	Individual Limit	Annual Limit
UK	£500 GBP	£500 GBP
USA	1,000 USD	1,000 USD
Canada	1,060 CAD	1,060 CAD
France	€750 EUR	€750 EUR
Ireland	€750 EUR	€750 EUR
Germany	€750 EUR	€750 EUR
Czech Republic	10,000 CZK	10,000 CZK
Slovakia	€400 EUR	€400 EUR
Poland	1,800 PLN	1,800 PLN
Sweden	5,000 SEK	5,000 SEK
Hong Kong	8,000 HKD	8,000 HKD
Australia	1,250 AUD	1,250 AUD
New Zealand	1,000 NZD	1,000 NZD
India	26,000 INR	26,000 INR
Singapore	1,000 SGD	1,000 SGD

Conflict Minerals

Background

We are committed to ensuring the health, safety and protection of people who come into contact with our products and business, and we require high social, environmental and human rights standards among our suppliers. Managing our obligations in relation to Conflict Minerals is a part of this corporate responsibility.

IPRO SOLUTIONS LTD's commitments

We are working towards ensuring that our products do not contain Conflict Minerals that have been sourced from mines that support or fund conflict within the Democratic Republic of Congo or adjoining countries. Therefore we are committed to:

- identifying which IPRO SOLUTIONS LTD products are impacted and targeting our efforts accordingly
- not buying products and materials containing Conflict Minerals directly from Conflict Mines
- asking our suppliers to work towards ensuring that any Conflict Minerals contained in the products and materials supplied to IPRO SOLUTIONS LTD originate from Conflict Free sources
- Contributing to conflict-free trade by encouraging our suppliers not to discriminate against legitimate sources of Conflict Minerals. In addition, we are committed to engaging with our customers regarding their disclosure obligations

IPRO SOLUTIONS LTD's measures

In working towards these commitments, we have taken a number of steps that include:

- Engaging with our suppliers so that they respond in a timely manner to our requests for evidence of compliance. In the future, our suppliers' willingness to comply with this initiative will be a factor in our sourcing decisions
- updating the IPRO SOLUTIONS LTD Supplier Code of Conduct and our purchasing terms and conditions to reflect this policy

Like many other companies tracing Conflict Minerals, it will take time for us to collect the information needed for us to fully understand our use of Conflict Minerals and therefore be able to address all related customer concerns.

Child Labour & Slavery

Labour and Human Resources:

Labour Laws.

Suppliers are expected to comply with all local country labour and human resource laws and regulations, including those related to wages, hours worked, working conditions and child labour. Suppliers are expected to adopt sound labour and human resource practices and treat their workers fairly. Specifically:

1. Employment Practices

Suppliers must hire and employ workers in compliance with applicable laws. Wages, benefits, and working hours are expected to be fair and reasonable in the local labour market.

2. Child Labour

Suppliers must comply with the applicable local laws with regard to the minimum hiring age for employees. If no such law exists or if the existing law permits the hiring of child labour younger than 18 years of age, the supplier may not employ child labour under 16 years of age to work on iPRO Solutions LTD projects. The supplier may hire child labour between 16 and 18 years of age to work on iPRO Solutions LTD projects only if the supplier implements and maintains, in addition to the general standards for environmental, health and safety identified above, all working conditions needed to adequately protect the safety and health of each such child.

3. Forced Labour (Slavery)

iPRO Solutions LTD expects suppliers to not use labour that is a result of mental or physical coercion, physical punishment, slavery or other oppressive labour conditions. Suppliers and their employees cannot engage in any form of human trafficking. This prohibition includes not only forced labour and other forms of coercive conduct but also the recruitment, harbouring, transportation, provision, or obtaining of persons for commercial sex acts and the legal or illegal procurement of sex acts for anything of value.

4. Discrimination

Suppliers must respect the right of every person to participate in all aspects of employment without regard to their personal characteristics or beliefs (for example, their race, religion or sex). Suppliers' policies and practices should result in employment decisions being made on the basis of workers' ability to do the job, and not on their personal characteristics or beliefs.

5. Freedom of Association.

Suppliers must respect workers' right to associate freely, in compliance with existing local laws and without intimidation, reprisal or harassment.