

E10 : Anti-Bribery & Corruption Policy

APPROVALS

The content of this policy has been approved by:

The Board of Directors on the 01 February 2024

This policy sets out the general rules and principles to which we adhere. It will be communicated to all employees of Microspec Ltd, as well as relevant business partners and other necessary individuals and entities. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

This policy explains the procedures through which Microspec Ltd can maintain its high ethical standards and protect its reputation against any allegations of bribery and corruption. Its successful implementation requires pro-active adoption at the following levels:

- As an employee of Microspec Ltd, you are required to read and understand all aspects of this policy, and abide by it
- Senior Management – The businesses overall compliance with the requirements of this policy is the responsibility of the Directors
- Management are responsible for the compliance of employee or stakeholder working under their direction.

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1. INTRODUCTION

It is Microspec Ltd policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

Microspec Ltd is committed to ensuring adherence to the highest legal and ethical standards. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. Bribery and corruption harms the societies in which these acts are committed and prevents economic growth and development.

This is not just a cultural commitment on the part of the organisation; it is a moral issue and a legal requirement. Bribery is a criminal offence and corrupt acts expose the Company and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the Company's reputation.

This policy has been adopted by Microspec Ltd's Directors and is to be communicated to everyone involved in our business to ensure their commitment to it. The board attaches the utmost importance to this policy and will apply a "zero tolerance" approach to acts of bribery and corruption by any of our employees or by business partners working on our behalf. Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action.

2. WHAT IS BRIBERY AND CORRUPTION?

Bribery and corruption has a range of definitions in law, but the fundamental principles apply universally.

Corruption is the misuse of public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

The person being bribed is generally someone who will be able to obtain, retain or direct business. This may involve sales initiatives, such as tendering and contracting; or, it may simply involve the handling of administrative tasks such as licences, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

3. WHAT IS A BRIBE?

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will benefit. A bribe could be the:

- Direct or indirect promise, offering, or authorisation, of anything of value
- Offer or receipt of any kickback, loan, fee, reward or other advantage
- Giving of aid, donations or voting designed to exert improper influence

4. WHO CAN ENGAGE IN BRIBERY OR CORRUPTION?

In the eyes of the law, bribery and corrupt behaviour can be committed by:

- An employee, Manager or director
- Any person acting on behalf of the Company (eg our business partners)
- Individuals and organisations where they authorise someone else to carry out these Acts.

Acts of bribery and corruption will commonly, but not always, involve public or government officials (or their close families and business associates). For the purposes of this policy, a government official could be:

- A public official, whether foreign or domestic
- A political candidate or party official
- A representative of a government-owned/majority-controlled organisation
- An employee of a public international organisation (eg World Bank)

5. WHAT DOES THE LAW SAY ABOUT BRIBERY AND CORRUPTION?

Bribery is a criminal offence and penalties can be severe. In the UK the Bribery Act 2010 not only makes bribery and corruption illegal, but also holds UK companies liable for failing to implement adequate procedures to prevent such acts by those working for the company or on its behalf, no matter where in the world the act takes place. It is therefore in your interests, as well as those of Microspec Ltd, that you act with propriety at all times.

6. WHAT STEPS CAN WE TAKE TO PREVENT BRIBERY AND CORRUPTION?

We can take the following steps to assist in the prevention of bribery and corruption:

A. Risk Assessment

Effective risk assessment lies at the very core of the success or failure of this policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Management must assess the vulnerability of the business to these risks on an ongoing basis, subject to review by the Directors.

B. Effective Monitoring and Internal Control

Our businesses must all maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a The Directors must ensure that Management engages in effective risk assessment and implements the necessary steps to prevent bribery and corruption.

7. WHERE DO THE BRIBERY AND CORRUPTION RISKS TYPICALLY ARISE?

Bribery and corruption risks typically fall within the following categories:

A. Use of Business Partners

The definition of a business partner is broad, and could include agents, joint venture partners or partners in Microspec Ltd's supply chain who act on behalf of the Company. Whilst the use of business partners can help us reach our goals, we need to be aware that these arrangements can potentially present Microspec Ltd with significant risks.

Risk can be identified where a business partner conducts activities on Microspec Ltd's behalf, so that the result of their actions can be seen as benefiting Microspec Ltd. Business partners who act on Microspec Ltd's behalf must be advised of the existence of and operate at all times in accordance with this policy. Management is responsible for the evaluation of each relationship and determining whether or not it falls into this category.

Where risk regarding a business partner arrangement has been identified, Management must:

- Evaluate the background, experience, and reputation of the business partner Understand the

services to be provided, and methods of compensation and payment

- Evaluate the business rationale for engaging the business partner
- Take reasonable steps to monitor the transactions of business partners Anti-Bribery & Corruption Policy appropriately
- Ensure there is a written agreement in place which acknowledges the business partner's understanding and compliance with this policy.

Microspec Ltd is ultimately responsible for ensuring that business partners who act on our behalf are compliant with this policy as well as any local laws. Ignorance or "turning a blind eye" is not an excuse. As the business partner evaluation process will vary by business unit and type of business partner, Management should consult in the first instance with their Directors.

B. Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they fall within reasonable bounds of value and occurrence.

How to evaluate what is 'acceptable':

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions, there may a risk involved which could potentially damage Microspec Ltd's reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered: Never acceptable: Circumstances which are never permissible include examples that involve:

- A "quid pro quo" (offered for something in return)
- Gifts in the form of cash/or cash equivalent vouchers
- Entertainment of a sexual or similarly inappropriate nature

As a general rule Microspec Ltd's employees and business partners should not provide gifts to, or receive them from, those meeting our definition of a government official in section 4 (or their close families and business associates).

Usually acceptable:

- Modest/occasional meals with someone with whom we do business
- Occasional attendance at ordinary sports, theatre and other cultural events
- Gifts of nominal value, such as pens, a drink at Christmas or small promotional items

A variety of cultural factors such as customs, currency and expectations may influence the level of acceptability. If you feel uncertain at any time regarding cultural acceptability of gifts, entertainment or hospitality, please consult a Director. In addition, if an example does not fall under the above categories, please in the first instance seek guidance from a Director. Generally, such examples would not be permissible without prior approval.

Transparency is key!

Management will be required to maintain and monitor its gifts, entertainment and hospitality register. Any form of gift, entertainment or hospitality given, received or offered – which meets or exceeds the equivalent of £50 in value – must be appropriately recorded via email to a Director. In

the event that an impermissible form of gift, entertainment or hospitality has been accepted, you must appropriately record the transaction via email and contact a Director immediately.

C. Facilitation Payments

Facilitation payments are against Microspec Ltd's policy and we take the view that they are illegal within the UK. The UK Bribery Act 2010 makes no distinction between facilitation payments and bribes – regardless of size or local cultural expectations, even if that is “how business is done here”.

However, in the event that a facilitation payment is being extorted, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. If you are ever placed in such a situation, you must contact a Director as soon as possible and you must record the payment appropriately within Microspec Ltd's books and records to reflect the substance of the underlying transaction.

If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact a Director.

8. HOW TO RAISE CONCERN

As individuals who work on behalf of Microspec Ltd, we all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing. Microspec Ltd is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and everyone to know how they can “speak up”.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance can only help. The sooner you act, the better for you and for the Company. To help, we have created multiple channels to allow you to do this.

If you are concerned that a corrupt act of some kind is being considered or carried out – either within Microspec Ltd, by any of our business partners or by any of our competitors – you must report the issue/concern to your Manager and a Director. If for some reason it is not possible to speak to your Manager, please then report it to another Senior Manager/Director.

In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. Microspec Ltd has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. If you have any questions about these procedures, please contact one of the Company Directors.

9. CONCLUSION

It is the ultimate responsibility of the Board routinely to refresh and reinforce this policy and its underlying principles and guidelines. Management, under the overview of the Directors, are responsible for the establishment and ongoing monitoring of compliance with sections 6 and 7 of this policy.

Signed on behalf of the company



Date: 03.01.2025

Due Review: 02.01.2026