

# Anti-Bribery & Corruption Policy

## Policy Statement

LifeArc conducts all business in an honest and ethical manner with zero-tolerance for bribery and corruption in any form. LifeArc will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which it operates. LifeArc is bound by the laws of the UK, specifically the UK Bribery Act 2010, in respect of its conduct both at home and abroad.

Gifts or hospitality (given or received) that are commensurate with the strength of the business relationship and complies with the Expenses Policy, the Procurement Policy, the UK Bribery Act and laws in the relevant jurisdiction, are permitted under this policy.

Gifts or hospitality (given or received) that are not in the normal course of business may be permitted, subject to the criteria, reporting and authorisation requirements set out in this document.

Gifts that have a monetary value greater than £50 must be surrendered to Human Resources for auction.

The following activities are specifically forbidden under this policy:

- To give, promise or offer a payment, gift or hospitality with the expectation that a business advantage will be received, or to reward a business advantage already given
- To give, promise or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure
- To 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
- To 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 LifeArc in return
- To threaten or retaliate against another party who has refused to commit a bribery offence or who has raised concerns under this policy.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts must be prepared and maintained with strict accuracy in accordance with this policy, the Expenses Policy and Procurement Policy.

## Scope of Policy

This policy applies to all trustees and employees (whether permanent, fixed-term or temporary, trainees, interns, seconded staff), consultants, contractors, agents, sponsors, or any other person working for the beneficial interest of LifeArc, or any of its subsidiaries or their employees, wherever located (collectively referred to as 'individuals' in this policy).

## Application

The guidance and procedures set out in this policy are for the protection of both the individuals within the scope of the policy and LifeArc.

Bribery is an inducement or reward offered, promised or provided in order to gain financial or other advantage. Corruption is the abuse of entrusted power or position for private gain.

Examples of bribery and corruption are outlined in Appendix 1.

The specific procedures set out in this policy, to register and authorise all gifts and hospitality offered and received by individuals, are to ensure that neither the acceptance nor offer of gifts or hospitality could be perceived as an inducement or bribe to or from a third party.

Bribery and corruption are punishable for individuals with up to ten years' imprisonment, an unlimited fine, or both. Offences committed by LifeArc are punishable by unlimited fine, exclusion from tendering for public contracts and reputational damage. Consequently LifeArc and every individual must take their responsibilities under this policy extremely seriously.

The prevention, detection and reporting of bribery and other forms of corruption is the responsibility of all those within the scope of this policy, working directly or indirectly for LifeArc, under its control or for the beneficial interest of LifeArc. All such individuals are required to avoid any activity that might lead to, suggest, infer or give the appearance of, a breach of this policy.

Individuals must notify their Line Manager or the General Counsel & Company Secretary immediately they believe or suspect that a conflict with this policy has or may occur.

Any employees who may have breached this policy will face disciplinary investigation, which could result in dismissal for gross misconduct. LifeArc reserves the right to terminate any contractual relationship with other individuals who are in breach of this policy.

This policy should be read in conjunction with the Whistle-blowing Policy, Expenses Policy, Procurement Policy and Conflict of Interest Policy.

## Permitted Business Gifts and Hospitality

LifeArc recognises that business entertaining is an integral part of certain job functions. The practice of giving business gifts varies between countries and regions. What is normal and acceptable in one region may not be in another. Offences committed in any part of the world can be prosecuted under the UK Bribery Act. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable, complies with local legislation and the UK Bribery Act. Such gifts and hospitality given or received in the normal course of business do not need reporting or authorisation under this policy.

Gifts or hospitality that are not in the normal course of business (e.g. invitations to prestigious Life Science industry related events, sports events, arts and theatre etc.) may be

permitted, subject to the reporting and authorisation requirements set out in the following section and provided the following requirements are met:

- There is no intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours
- It is given in LifeArc's name, not in an individual's name
- It does not include cash or a cash equivalent (such as gift certificates or vouchers)
- It is appropriate under the circumstances (e.g. in the UK it is customary for small gifts to be given at Christmas time)
- It is of an appropriate type and value, given at an appropriate time, taking into account the reason for the gift
- It is given openly, not secretly
- It is not offered to, or accepted from government officials or representatives or politicians or political parties.

For further guidance see Appendix 2 of this policy.

## Documenting, Reporting and Authorising Gifts & Hospitality

Individuals must declare all gifts or hospitality, accepted or offered, which are not in the normal course of business, by completing a Gifts and Hospitality Declaration form available on the intranet.

Where the individual has concerns in relation to the acceptance criteria set out above on any specific offer of gifts or hospitality, these should be discussed initially with the individual's Line Manager and where necessary escalated to the Divisional Director and General Counsel & Company Secretary, prior to acceptance.

The signed declaration forms must be submitted to General Counsel & Company Secretary within 28 days in hard copy or by emailing a scan to [governance@lifearc.org](mailto:governance@lifearc.org).

An annual Gifts and Hospitality Register is compiled throughout the year and reviewed periodically by the Chief Financial Officer and submitted for scrutiny to the Audit and Risk Management Committee.

Individuals must ensure all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Expenses Policy and all orders and payments are made in accordance with the Procurement Policy.

## Keeping Gifts

Non-perishable gifts that have a monetary value greater than £50 must be surrendered to the Human Resources Team on completion of the Gifts and Hospitality Declaration form. Gifts will be periodically auctioned (and the proceeds donated to charity) or given to an LifeArc employee selected at random.

## Competition Prizes

LifeArc believes in promoting and enhancing the talents of its employees and encourages individuals to enter competitions which gain professional recognition.

Employees must discuss competition entries with their Line Manager and Divisional Director, disclosing the nature or value of the potential prize. The treatment of any potential prize under this policy will be assessed and authorised on a case-by-case basis.

## Donations

LifeArc does not contribute to political parties.

Charitable donations that are legal and ethical under local laws and practices may be considered, subject to the prior approval of the General Counsel & Company Secretary.

## Facilitation Payments and Kickbacks

Facilitation payments are unofficial payments made to secure or expedite a routine or necessary action (for example by a government official). Kickbacks are typically payments made in return for a business favour or advantage. These payments are illegal regardless of their size or frequency.

Individuals must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by LifeArc or on LifeArc's behalf, or that might suggest that such a payment will be made or accepted.

If an individual is asked to make a payment on LifeArc's behalf, they should always be mindful of what the payment is for and ensure:

- The amount requested is proportionate to the goods or services being provided.
- The payment is wholly and exclusively related to the business of LifeArc and is made in accordance with LifeArc's Expenses Policy and/or Procurement Policy.
- The payment is properly documented (authorised invoice or receipt which details the reason for the payment).

If an individual has any suspicions, concerns or queries regarding a payment, they should raise these with the General Counsel & Company Secretary.

## Due Diligence

LifeArc has adopted a formal Contract Approval Process to ensure that appropriate due diligence (including in respect of anti-bribery and corruption) is undertaken before significant contracts relating to LifeArc's assets are entered into. The Contract Approval Form and related Guidance should be read in conjunction with this policy.

## Monitoring and Review

The General Counsel & Company Secretary monitors the effectiveness of this policy, regularly considering its suitability and application.

This policy does not form part of any employee's contract of employment and may be amended at any time.

## Appendix 1

### Examples of Bribery and Corruption

#### Offering a Bribe

An individual offers a potential licensee/partner tickets to a major sporting event, but only if they agree to do business with LifeArc. This would be an offence as they are making the offer to gain a commercial and contractual advantage. LifeArc may also be found to have committed an offence because the offer has been made to obtain business for them. It may also be an offence for the potential licensee/partner to accept the offer.

#### Receiving a Bribe

A supplier gives an individual's nephew a job, but makes it clear that in return they expect them to use their influence within LifeArc to ensure they continue to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for the individual to accept the offer as they would be doing so to gain a personal advantage.

#### Bribing a Foreign Official

An individual arranges for LifeArc to make an additional payment to a foreign official to speed up an administrative process, such as clearing their goods through customs. The offence of bribing a foreign public official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for LifeArc and they may also be found to have committed an offence.

#### Potential Risk Scenarios – 'red flags'

The following is a list of possible red flags that may arise during the course of working for LifeArc 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 an individual encounters any of these 'red flags' while working for LifeArc, they must report them promptly to their Line Manager, the General Counsel & Company Secretary or using the procedure set out in the Whistle-blowing Policy:

- They become aware that a third party engages in, or has been accused of engaging in, improper business practices.
- They 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.
- A third party insists on receiving a commission or fee payment before committing to sign up to a contract with LifeArc, or carrying out a government function or process for LifeArc.
- 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.

- A third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- A third party requests an unexpected additional fee or commission to "facilitate" a service.
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- A third party requests that a payment is made to "overlook" potential legal violations.
- A third party requests that they provide employment or some other advantage to a friend or relative.
- An invoice is received from a third party that appears to be non-standard or customised.
- LifeArc have been invoiced for a commission or fee payment that appears excessive given the service stated to have been provided.
- An unusually generous gift or lavish hospitality is offered by a third party.

## Glossary

### Third Party

In this policy, third party means an individual or organisation an individual comes into contact with during the course of their LifeArc business and includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

## Appendix 2

### Business Entertaining

LifeArc recognises that business entertaining (either giving or receiving) is an integral part of certain job functions. Reasonable costs of acting as a host (e.g. at a business lunch or dinner) will be reimbursed, subject to the approval of the claimant's expenses authorisers.

Business entertaining costs must be reasonable and not lavish, and in keeping with the strength of the business relationship between those attending and LifeArc. Employees and trustees should not partake of any form of entertainment that has the potential to compromise the reputation of the individual or LifeArc.

Giving or receiving gifts or hospitality to or from third parties, not demonstrably incurred wholly, exclusively and necessarily for the performance of their duties as employees and trustees/or of LifeArc may give rise to:

- A taxable benefit in kind where income tax becomes payable by the claimant or on behalf of any recipient of the gift or hospitality
- A conflict of interest
- Exposure to allegations of fraud and / or corruption

Trustees and employees of LifeArc must have read and be compliant with the following in conjunction with this policy:

- Conflict of Interest Policy
- Whistle-blowing Policy
- Contract Authorisation Guidance