

Our policy against improper payments in business transactions is a key element of how we do business.

The Hepco Group has a continuing commitment to conduct our business operations in a fair and ethical manner and to comply with all relevant laws and regulations, within all of our operating locations around the globe. The Hepco Group has a zero tolerance approach to any form of bribery or corruption.

It is the Hepco Group's policy to comply with all laws, rules and regulations governing anti-bribery and anti-corruption law, in all countries where we operate. The Hepco Group senior management team is committed to conducting its business and affairs so as to ensure that it does not engage in, or facilitate, any form of bribery or corruption.

OUR ORGANISATIONAL STRUCTURE & OPERATIONS

HepcoMotion, part of the Hepco Group of companies is a world-leading manufacturer of linear motion systems and automation components. HepcoMotion has been leading the development of V Guide technology since 1969, and continues to develop innovative linear products that offer new solutions to design engineers.

Hepco Slide Systems Limited is a manufacturer of linear slides and components working in the mechanical engineering industry.

Braintree Precision Components: Manufacturing Hepco's world-class "V" groove and roller bearings.

Hepco Automation offer advanced automation solutions from complete turnkey systems to specialised tooling. Systems are designed using the latest high performance mechanical and motion control products, providing customers with reliable, low maintenance automation solutions.

We are all part of the Hepco Group and Hepco Holdings Limited our parent company, which has its head office in England.



The Hepco Group employ 360 people worldwide and operate in the UK, Germany, Holland, France, Spain and South Korea.

We operate two manufacturing facilities in the UK and one in South Korea producing world-leading high quality, precision engineered linear systems, components and bearings for bespoke linear solutions and applications across a wide range of industries. Our sales team operate in all our markets specifying and advising our customers on a wide range of advanced linear solutions.

For further information on our company, please visit our website at:
<https://www.hepcotion.com>

BUSINESS PARTNERS / ASSOCIATE

The Hepco Group has an extensive global network of business partners or associates, including but is not limited to customers, workers, temporary workers, joint venture partners, contractors, consultants, sub-contractors, vendors, advisors, agents, distributors and suppliers ranging from small private limited companies to large multinational organisations. Business partners or associate which are defined as an external party with whom the Hepco Group has, or plans to establish, some form of business relationship.

POLICIES RELATING TO ANTI-BRIBERY, CORRUPTION AND PROHIBITED PAYMENTS

INTRODUCTION

All of the Hepco Group operating companies are expected to understand the rules within their own jurisdiction and comply with all applicable legislation. Our zero-tolerance approach aligns with the six principles of the UK Bribery Act. Anyone associated with the Hepco Group must not offer, give or receive bribes or any form of corrupt payments.

The Hepco Group prohibits bribery in all circumstances. We do not bribe private individuals, business partners or government officials for any reason. We obtain business because our products, services and people are the best quality. Therefore, we require all employees and business partners around the world to comply with the policy as well as their local laws - The Bribery Act 2010 and legislation.

Bribery involves giving or promising to give something of value in order to gain a business advantage.

Hepco Group has:

- Developed a written anti-bribery policy procedure for reporting potential violations of the policy
- Educated employees on the anti-bribery policy through compliance training
- Performed a risk assessment to identify business risks of bribery and corruption

We encourage all employees to report any behaviour that is not consistent with Hepco Group policy or the law. The idea that 'everybody else is doing it' is not an excuse for conduct that violates the law and Hepco Group policy.

Our policies have been developed by our compliance team to ensure we meet and maintain our standards and are reviewed on a regular basis.

The Hepco Group is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. This policy outlines the Hepco Group's position on preventing and prohibiting bribery, in accordance with the Bribery Act 2010.

We will not tolerate any form of bribery by, or of its employees, agents or consultants or any person or body acting on its behalf. The senior management team is committed to implementing effective measures to prevent, monitor and eliminate bribery.

We establish a relationship of trust and integrity with all our customers, approved suppliers and other business partners, which is built upon mutually beneficial factors.

SCOPE OF THIS POLICY

The policy applies to all employees of the Hepco Group, and to temporary workers, consultants, contractors, agents and subsidiaries acting for or on behalf of the Hepco Group ('associated persons') within the UK and overseas. Every employee and associated person acting for, or on behalf of Hepco Group is responsible for maintaining the highest standards of business conduct.

Any breach of this policy is likely to constitute a serious disciplinary, contractual and criminal matter for the individual concerned and may cause serious damage to the reputation and standing of the Hepco Group.

The Hepco Group may also face criminal liability for unlawful actions taken by its employees or associated persons under the Bribery Act 2010. All employees and associated persons are required to familiarise themselves and comply with this policy, including any future updates that may be issued from time to time by Hepco Group. The Bribery Act is in force from 1 July 2010.

This policy covers:

- The main areas of liability under the Bribery Act 2010
- The responsibilities of employees and associated persons acting for, or on behalf of Hepco Group
- The consequences of any breaches of this policy

BRIBERY ACT 2010

Under the Bribery Act 2010, a bribe is a financial or other type of advantage that is offered or requested with the:

- Intention of inducing or rewarding improper performance of a function or activity
- Knowledge or belief that accepting such a reward would constitute the improper performance of such a function or activity. A relevant function or activity includes public, state or business activities or any activity performed in the course of a person's employment, or on behalf of another company or individual, where the person performing that activity is expected to perform it in good faith, impartially, or in accordance with a position of trust.

A criminal offence will be committed under the Bribery Act 2010 if:

- An employee or associated person acting for, or on behalf of the Hepco Group, offers, promises, gives, requests, receives or agrees to receive bribes
- An employee or associated person acting for, or on behalf of the Hepco Group offers, promises or gives a bribe to a foreign public official with the intention of influencing that official in the performance of his/her duties (where local law does not permit or require such influence)
- The Hepco Group does not have the defence that it has adequate procedures in place to prevent bribery by its employees or associated persons. All employees and associated persons are required to comply with this policy, in accordance with the Bribery Act 2010.

WHAT IS PROHIBITED

The Hepco Group prohibits employees or associated persons from offering, promising, giving, soliciting or accepting any bribe or bribing others on behalf of the organisation. The bribe might be cash, a gift or other inducement to, or from, any person or company, whether a public or government official, official of a state-controlled industry, political party or a private person or company, regardless of whether the employee or associated person is situated in the UK or overseas.

A bribe might be made to ensure that a person or company improperly performs duties or functions to gain any or some commercial, contractual or regulatory advantage for the Hepco Group in either obtaining or maintaining company business, or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

This prohibition also applies to indirect contributions, payments, performance bonuses or gifts made in any manner as an inducement or reward for improper performance, for example, through consultants, contractors or sub-contractors, agents or sub-agents, sponsors or sub-sponsors, joint-venture partners, advisors, customers, suppliers or third parties.

RELEVANT LAW

Relevant Laws all Intended Recipients are required by the Hepco Group to abide by include:

- UK Bribery Act 2010 - came into force on 1 July 2011 (perceived to be the "toughest Anti-Corruption legislation in the world")
- Foreign Corrupt Practices Act 1977 (US)
- OECD Anti-Bribery Convention (38 member countries)

BREACH OF THIS POLICY

Breach of anti-bribery laws is a very serious matter and exposes both the Hepco Group and its directors and employees to potential criminal liability. It is therefore extremely important that the Policy is strictly observed.

If an individual is convicted of the criminal offence of bribery in the UK, they will be subject to a potentially unlimited fine and/or up to 10 years imprisonment. Failure to observe this Policy, may lead to disciplinary action for the Hepco Group employees up to and including dismissal, as well as notification to the relevant enforcement authorities.

RECORDS

Employees and where applicable, associated persons, are required to take particular care to ensure that all company records are accurately maintained in relation to any contracts or business activities, including financial invoices and all payment transactions with clients, suppliers and public officials.

Due diligence should be undertaken by employees and associated persons prior to entering into any contract, arrangement or relationship with a potential supplier of services, agent, consultant or representative. The same due diligence should be taken when entering information to company records.

Employees and associated persons are required to keep accurate, detailed and up-to-date records of all corporate hospitality, entertainment or gifts accepted or offered.

WORKING OVERSEAS

Employees and associated persons owe a duty to the Hepco Group to be extra vigilant when conducting international business.

Employees and associated persons are required to cooperate with the Hepco Group risk management approach and to report suspicions of bribery to HR and/or to a Company Director. While any suspicious circumstances should be reported, employees and associated persons are required particularly to report:

- Close family, personal or business ties that a prospective agent, representative or joint-venture partner may have with government or corporate officials, directors or employees
- A history of corruption in the country in which the business is being undertaken
- Requests for cash payments
- Requests for unusual payment arrangements, for example, through a third party
- Requests for reimbursements of unsubstantiated or unusual expenses
- A lack of standard invoices and proper financial practices

FACILITATION PAYMENTS

If an employee or associated person is in any doubt as to whether or not a potential act constitutes bribery, the matter should be referred to HR and/or a Company Director.

The Hepco Group prohibits its employees or associated persons from making or accepting any facilitation or "grease" payments. These are payments made to government officials for carrying out or speeding up routine procedures. They are more common overseas.

Facilitation payments are distinct from an official, publicly available fast-track process. Facilitation payments, or offers of such payments, will constitute a criminal offence by both the individual concerned and the Hepco Group under the Bribery Act 2010, even where such payments are made or requested overseas. Employees and associated persons are required to act with greater vigilance when dealing with government procedures overseas.

Where a public official has requested payment, employees or associated persons should ask for further details of the purpose and nature of the payment in writing. If the public official refuses to give these, this must be reported immediately to HR and/or a Company Director.

If the public official provides written details, to HR and/or a Company Director will consider the nature of the payment. The Hepco Group may seek local legal advice.

If it is concluded the payment is a legitimate fee or is permitted locally, the Hepco Group will authorise the employee to make the payment.

Where a Hepco Group Director considers that the request is for a facilitation payment, the employee or associated person will be instructed to refuse to make the payment and notify the public official that the employee or associated person is required to report the matter to the Hepco Group and the UK embassy in the country of interest.

The Hepco Group will seek the assistance of the relevant employee in its investigation and may determine that the matter should be referred to the prosecution authorities.

If an employee or associated person has any other concerns about the nature of a request for payment, they should report it to HR and/or a Company Director using the reporting procedure set out in this policy, and in accordance with the Hepco Group whistle-blowing policy.

CORPORATE ENTERTAINMENT, GIFTS, HOSPITALITY AND PROMOTIONAL EXPENDITURE

The Hepco Group permits only proportionate corporate entertainment, gifts, hospitality and promotional expenditure that is undertaken:

- For the purpose of establishing or maintaining good business relationships
- To improve the image and reputation of the Hepco Group
- To present the Hepco Group's services effectively

Provided that it is:

- Arranged in good faith
- Not offered, promised or accepted to secure an advantage for the Hepco Group or any of its employees or associated persons or to influence the impartiality of the recipient

The Hepco Group will authorise only reasonable, appropriate and proportionate entertainment and promotional expenditure.

This principle applies to employees and associated persons, whether based in the UK or overseas.

No Company employee will accept or offer gifts or favours if they are capable of being construed as placing an obligation on the Company or granting a benefit to a Company employee.

The term benefit includes, but is not limited to:

- Any payment, compensation, gratuity or financial reward.
- Any gift of goods or services, vouchers, excessive hospitality or entertainment.
- Anything else of monetary value.
- Gifts such as: bottles of wine, spirits or food hampers should generally not be accepted for personal use by Hepco Group employees. They can only be accepted on the clear basis of being subsequently donated to a designated charitable organisation.

By way of clarification, there are some circumstances where by benefits may be accepted the Hepco Group employees as part of enhancing business relationships:

- Gifts/benefits of nominal value (with Suppliers' motifs) eg, calendars, pens, coffee mats, product models (of low value), greeting cards, inexpensive calculators, ties, etc.

- Gifts/benefits, which are specifically intended for donation to the charitable organisation, which the Company supports
- Corporate Hospitality provided it is reasonable and attendance is part of the business process
- As part of normal business and supplier relationship, it is acceptable to dine with business contacts on an infrequent basis, provided it is made known to the company employee's Line Manager beforehand

Employees and, where relevant, associated persons should submit requests for proposed hospitality and promotional expenditure well in advance of proposed dates to HR and/or a Company Director.

Employees are required to set out in writing:

- The objective of the proposed client entertainment or expenditure
- The identity of those who will be attending
- The organisation that they represent
- Details and rationale of the proposed activity

The Hepco Group will approve business entertainment proposals only if they demonstrate a clear business objective and are appropriate for the nature of the business relationship.

The Hepco Group will not approve business entertainment where it considers a conflict of interest may arise or where it could be perceived undue influence or a particular business benefit was being sought.

Any gifts, rewards or entertainment received or offered from clients, public officials, suppliers or other business contacts should be reported immediately to their Line Manager.

In certain circumstances, it may not be appropriate to retain such gifts or be provided with the entertainment and employees and associated persons may be asked to return the gifts to the sender or refuse the entertainment, for example, where there could be a real or perceived conflict of interest.

As a general rule, small tokens of appreciation, such as a diary, calendar, flowers, tin of sweets/biscuits may be retained by employees.

If an employee or associated person wishes to provide gifts to suppliers, clients or other business contacts, prior written approval from a Company Director is required, together with details of the intended recipients, reasons for the gift and business objective.

Employees and, where applicable, associated persons must supply records and receipts, in accordance with the Hepco Group's expenses policy.

CHARITABLE AND POLITICAL DONATIONS

The Hepco Group considers that charitable giving can form part of its wider commitment and responsibility to the community. The Hepco Group supports a number of charities that are selected in accordance with objective criteria, following a risk assessment. The Hepco Group may also support fundraising events involving employees.

RISK MANAGEMENT

The Hepco Group has established detailed risk management procedures to prevent, detect and prohibit bribery. The Hepco Group will conduct risk assessments for each of its key business activities on a regular basis and, where relevant, will identify employees who are in positions where they may be exposed to bribery.

The Hepco Group compliance team has worked with senior management both in the UK and other countries in which the Group operates to identify the higher risk areas and is working in collaboration with management

through a compliance programme to mitigate risk. Each region is required to put in place anti-bribery procedures that are appropriate to their operating environment.

The Hepco Group will:

- Regularly monitor 'at risk' employees and associated persons
- Regularly communicate with 'at risk' employees and associated persons
- Undertake extensive due diligence of third parties and associated persons
- Communicate its zero-tolerance approach to bribery to third parties, including actual and prospective customers, suppliers and joint-venture partners

DUE DILIGENCE

Our risk-based approach extends to suppliers and business partners/associated persons.

Due diligence process in place to further assess the nature and extent of the bribery risk and help Hepco Group make decisions in relation to specific transactions, projects, activities, business associates and personnel.

Risk-based due diligence is carried out on contractors, suppliers and other associates before appointment and periodically thereafter. Contractors, suppliers and other associates are made aware of this organisation's ethical position in relation to bribery and corruption and are expected to act accordingly.

The Hepco Group carries out appropriate due diligence when recruiting employees, particularly to key positions with a higher risk of bribery and corruption or positions of trust.

The Hepco Group communicates its zero-tolerance approach to bribery to third parties, including actual and prospective customers, suppliers and joint-venture partners.

AWARENESS & COMMUNICATION

The Policy has been issued to all employees (including new employees as part of their induction process) and a dedicated intranet page link has been set up with related key documentation for stakeholders to access the relevant anti-bribery information.

Employees who may encounter bribery and corruption during the course of their duties have been identified and are undertaking an online training module, along with other training. The Hepco Group employees have a duty to report any suspected breaches of the Policy.

TRAINING

We provide and facilitate training to key employees who interact with our business partners or associates, who have been identified and trained on the risks to ensure that they understand the risks and how to effectively operate our policies and procedures. Compliance training will make employees aware of how to escalate any concerns identified, without fear of repercussion.

Our Hepco Group training is delivered via our online learning management system.

We also require our key business partners and suppliers to provide such training to their own staff.

RAISING CONCERNS / REPORTING SUSPECTED BRIBERY

The Hepco Group depends on its employees and associated persons to ensure that the highest standards of ethical conduct are maintained in all its business dealings.

Employees and associated persons are requested to assist the Hepco Group and to remain vigilant in preventing, detecting and reporting bribery.

Employees and associated persons are encouraged to report any concerns they may have to HR or a Director as soon as possible. Issues that should be reported include:

- Any suspected or actual attempts at bribery
- Concerns that the other employees or associated persons may be being bribed
- Concerns that other employees or associated persons may be bribing third parties, such as clients or government officials

The Hepco Group will support employees or associated persons who report instances of bribery in good faith. The Hepco Group will ensure the individual is not subjected to detrimental treatment because of their report. Any instances of detrimental treatment by a fellow employee because an employee has made a report will be treated as a disciplinary offence. An instruction to cover up wrongdoing is itself a disciplinary offence. If instructed not to raise or pursue any concern, even by a person in authority such as a manager, employees and associated persons should not agree to remain silent. They should report the matter to HR or a Company Director.

The Hepco Group encourage and enable persons to report in good faith or on the basis of a reasonable belief attempted, suspected and actual bribery, or any violation of the anti-bribery policy.

MONITORING AND REVIEW

The Hepco Group will fully investigate any instances of alleged or suspected bribery. Employees suspected of bribery may be suspended from their duties while the investigation is being carried out.

The Hepco Group will invoke its disciplinary procedures where any employee is suspected of bribery, and proven allegations may result in a finding of gross misconduct and immediate dismissal. The Hepco Group may terminate the contracts of any associated persons, including consultants or other workers who act for, or on behalf of, the Hepco Group who are found to have breached this policy.

The Hepco Group may also report any matter to the relevant authorities, including the Director of Public Prosecutions, Serious Fraud Office, Revenue and Customs Prosecutions Office and the Police.

The Hepco Group will provide all necessary assistance to the relevant authorities in any subsequent prosecution. The Hepco Group reserves the right to annually review, amend, and update this policy as required.

CONCLUSION

The Hepco Group is firmly committed to ethical behaviour and Anticorruption Compliance in all of our business practices.

If you have a question, or become aware of any action not consistent with the Hepco Group policy or legislation, you may contact the HR team for assistance, who will provide you with the necessary guidance, working where required with the Hepco Compliance team. Send an email to HR@hepcomotion.com and the appropriate person will contact you.

STATUS OF THIS POLICY

This procedure does not give contractual rights to any individual. The Hepco Group reserves the right to review, amend, and update this policy as required at any time.



CHRISTOPHER REED
GROUP FINANCIAL DIRECTOR

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