

INS Anti- Fraud, Bribery and Corruption Policy

1. Introduction

INS requires all permanent, temporary, contracted staff, consultants, secondees, agents, Non Executives and any other person acting on INS' behalf or its subsidiaries, to act at all times with honesty, integrity and with due care in all matters. In particular all staff are responsible for the safeguarding of INS, its assets, resources, systems, data and reputation.

This policy also sets out the high standards of probity and propriety that we expect from those that we contract with to carry out services on behalf of INS.

2. Policy Statement

INS prohibits and will not tolerate fraud, theft, acts of bribery or any other forms of corrupt behaviour, by any of its permanent or temporary staff or those individuals or organisations that are contracted to carry out services on behalf of INS.

INS shall:-

- understand and regularly assess the nature and extent of risks relating to fraud, bribery and corruption;
- deliver a culture within INS that is intolerant to fraud, bribery and corruption;
- ensure by appropriate due diligence that companies that do business with INS share the culture of intolerance to fraud, bribery and corruption;
- maintain and clearly communicate its expectations to staff through staff induction and regular updates and information on internal and external websites;
- dedicate sufficient resources to implement and embed procedures and to provide anti-fraud, bribery and corruption training;
- continually monitor and audit this policy and its associated procedures;
- ensure that practical and cost effective controls and procedures are implemented to proactively identify fraud, bribery and corruption to minimise and mitigate against the potential threat of fraud, bribery and corruption.

All staff have a responsibility to prevent and detect fraud, theft, acts of bribery or other acts of corrupt behaviour by:

- acting honestly, with integrity and propriety at all times and safeguarding INS resources for which they are responsible;
- adhering to INS Policies, Guidance and their Contract of Employment;
- adhering to control processes designed to prevent and detect fraud, acts of bribery or other forms of corruption;
- being alert to the potential risk of fraud, bribery and other irregularities both within INS and in organisations with which INS contracts and reporting any matters of potential concern.



Line Managers have particular additional responsibilities for:

- identifying activities in their area which pose a risk of fraud, theft, bribery or corruption, and working practices, including random checks, which help to mitigate these risks;
- ensuring staff are fully familiar with current INS policy and procedures;
- promoting an open, honest and questioning culture which encourages propriety and vigilance amongst all staff and that encourages them to raise concerns without fear of reprisals.

Any breach of this policy shall be taken seriously and may ultimately lead to dismissal in accordance with INS Disciplinary Procedure.

Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if INS is found to have taken part in corruption INS could face an unlimited fine, be excluded from tendering for public contracts and face damage to its reputation.

Breaches by non-employees or other organisations contracted to INS may result in removal from the INS list of suppliers and/or be subject to the involvement of the police and judicial system. INS reserves the right to recover losses associated with breaches of this policy from any of its staff or those contracting with INS.

3. Defining and Identifying Fraud, Bribery and Corruption

Fraud is a criminal activity, defined as an intentional deception to obtain an advantage, avoid an obligation or cause loss to another person or company (including, amongst others, expenses falsification, attendance record falsification, supplier and/or staff collusion with intent to deceive). It can involve the intentional abuse of delegated powers of authority, distortion of financial statements, accounting or other records undertaken in order to conceal the misappropriation of physical assets or the appropriation of funds or other material to achieve a gain to which the person or organisation is not rightfully entitled or to cause a loss or expose to another person/organisation to a loss which they would not otherwise have been exposed to.

Bribery includes the offering, promising of, giving, requesting, agreement to receive or acceptance of an inducement (including cash, favours and some gifts and entertainment) to an individual (including both public officials and private individuals) or organisation, in order to gain a financial or other (e.g. personal, commercial, contractual, financial or regulatory) advantage. Inducements to facilitate or expedite the prompt or proper performance of routine duties also fall under this definition.

Corruption is classified as the abuse of entrusted power for personal gain.

INS has identified that the following are particular risks for its business:

- Where third parties act as consultants, agents or representatives on INS' behalf in dealings with third parties in jurisdictions outside the UK

- Where INS employees and agents are dealing with foreign public officials both directly and indirectly through third parties e.g. in Panama, Japan, China, via the Global Acceptance initiative and marine activities
- INS employees that deal with UK public officials both directly and indirectly
- INS employees that can influence relationships/negotiations with customers and suppliers in respect of higher value contracts

To address such risks (or any other risk of bribery) INS:

- includes specific anti-bribery provisions in contracts with all third party agents and representatives; and
- arranges for all employees to receive training, and ensure that all third parties that act on our behalf have received suitable training on the risks of breaching the Bribery Act 2010 and anti-bribery measures.

In this policy, **third party** means any individual or organisation INS employees come into contact with during the course of their work for INS, and may include actual and potential clients, customers, suppliers, distributors, business contacts, partners, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

Appendix 1 lists examples of what may constitute unacceptable activities and Appendix 2 lists examples of potential risk scenarios.

INS has specific guidelines with respect to the giving or acceptance of hospitality and gifts by staff within the INS Hospitality Policy, which must be adhered to.

If you are in any doubt as to whether a potential act constitutes either fraud or bribery, you should seek guidance before proceeding, from the Head of Legal.

4. Gifts and Hospitality

This Code of Conduct does not prohibit normal, proportionate and appropriate gifts or hospitality (given and received) to or from third parties subject to INS guidance and reporting arrangements for example where hospitality is used as a means of promoting or establishing cordial relations with third parties, presenting products or services in a better light, improving the image of the organisation, or providing an opportunity for additional discussions with third parties in more informal surroundings.

The giving or receipt of gifts or hospitality is not prohibited, if the following requirements are met:

- it is not made with the intention of influencing a third party to act improperly in order 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 or benefits
- it complies with local law

- it is given in the company name, not in an individual name
- it does not include cash or a cash equivalent (such as gift certificates or vouchers)
- it is appropriate in the circumstances. For example, in Japan it is sometimes customary for small gifts to be exchanged at the end of visits
- taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time
- it is given openly, not secretly; and
- gifts offered to, or accepted from, government officials or representatives, or politicians or political parties are, in conjunction with your line manager, considered reasonable and appropriate in the specific circumstances.

We appreciate that the practice of giving business gifts and hospitality varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift or hospitality should always be considered. It is not permitted to persuade or attempt to persuade a person to whom you give any gift or hospitality to behave improperly and you must never behave improperly as a result of the receipt or offer of any gift or hospitality.

Where there is any doubt please speak to your line manager before any gift is offered or accepted.

5. Facilitation Payments & Kickbacks

We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.

Facilitation payments or "kickbacks" are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions.

If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your line manager.

Kickbacks are typically payments made in return for a business favour or advantage. All staff must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

6. Record-keeping

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. INS has a limit of £1k per annum to spend on gifts. Prior approval must be sought from the Finance Director prior to purchasing any gift.

You must declare and complete the INS Hospitality Register to record all hospitality or gifts accepted or offered, which will be subject to managerial review.

You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

7. Reporting Potential Fraud, Bribery and Corruption ("Whistle Blowing")

INS has a Policy to enable any interested party to raise concerns on any matter of genuine concern, including to an independent organisation who will treat the call with discretion and confidentiality. The detail can be found within the INS Whistle Blowing Policy.

Personnel are assured that there will be no repercussion or retaliation for reporting suspected fraud or acts of bribery or corruption in good faith and in an honest manner. For further details please refer to section 1 'Reporting of Serious Concerns' of the INS Conditions of Employment Manual. It should be noted however, that reporting of a malicious or dishonest nature will not be tolerated by INS.

8. Fraud, Bribery and Corruption Response Process

The Fraud Response Plan is owned by the Head of Legal. Any investigation will be carried out by the Head of Legal and the NDA Internal Audit function utilising INS's Fraud Response Plan which is aligned with the NDA Fraud Response Plan, which ensures prompt and effective action can be undertaken in an organised and controlled manner. The Head of Legal will consult with the Managing Director, Business Services Director, Head of Security and NDA Head of Group Internal Audit in deploying the Fraud Response Plan and agreeing the course of action to be taken. This may include the early involvement of the police in any suspected criminal activity if this is deemed to be the appropriate response.

Personnel should not attempt to investigate an alleged fraud or act of bribery or corruption themselves as there are specific steps which must be followed in order to protect INS and the identity of individuals concerned (in the event that an allegation proves unfounded) and to protect evidence which may be crucial to the investigation.

9. Responsibility for this Policy

The INS Board has overall responsibility for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it.

The INS Head of Legal has primary and day-to-day responsibility for implementing this Policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it.

10. Monitoring and Review

The Head of Legal will monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible.

Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.

All staff are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.

Staff are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the Head of Legal.

Appendix 1 Unacceptable Activities

It is not acceptable for you (or someone on your behalf) to:

- give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- 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;
- 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 us in return;
- threaten or retaliate against another member of staff who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- engage in any activity that might lead to a breach of this Policy.

Appendix 2

Potential Risk Scenarios: “RED FLAGS”

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anticorruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags while working for us, you must report them promptly, in the first instance to your line manager **OR** to Safecall **OR** using the procedure set out in the INS Whistleblowing Policy:

- you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- you 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 us, or carrying out a government function or process for us;
- 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 you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third party that appears to be non-standard or customised;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us; or
- you are offered an unusually generous gift or offered lavish hospitality by a third party.