

Volex Anti-Bribery and Anti-Corruption Policy

Introduction

Volex plc and its subsidiaries (together, the “Group” or “Company”) are committed to the prevention, deterrence and detection of bribery and corruption.

We understand and acknowledge the obligations placed on us as a UK company under the UK’s Bribery Act 2010 (the ‘Act’) and other relevant international legislation including the U.S. Foreign Corrupt Practices Act (“FCPA”).

The Company itself and its officers and employees are all liable to prosecution under the Act if they breach the Act, irrespective of where an employee is based or where the breach occurs. There are serious criminal penalties for committing a bribery offence under the Act, including up to 10 years in prison or an unlimited fine for individuals. The Company may also have to pay a fine, the level of which is unlimited.

The Group prohibits any form of bribery and corruption within its business and we expect our officers, employees and, where appropriate, business partners to conduct themselves in accordance with this Policy. The Group will actively investigate all breaches or suspected breaches of this Policy and, if appropriate, invoke disciplinary measures (including suspension or termination of employment) against any employee found to be involved in bribery or corruption. In appropriate circumstances, the Group will also invoke contractual sanctions against any business partner who is found to have committed bribery-related offences.

Scope

This policy is applicable to all of our global operations including all of our subsidiaries in which we have a majority ownership. This policy covers all our Directors, employees; officers; consultants; contractors; casual workers; agency workers; interns; volunteers; students; suppliers; visitors, customers and any third parties who provide services for or on behalf of the Group at any of our facilities (collectively ‘Employees’).

Responsibility

Compliance with this policy is the responsibility of the Volex Board of Directors and will be monitored through our Audit Committee. In addition, all employees and third parties are responsible for ensuring that they understand this policy and related obligations in this area and raise any concerns they may have as soon as possible.

Metrics

We monitor both the number of reported cases using our Speak Up system as well as activity reports for other aspects of our management system and controls including the number of employees completing training each year.

Review of the policy

This policy will be reviewed at least annually and updated as required.

Our Management Framework

In line with our obligations under law, and under this policy, we:

1. have established a clear policy outlining our principles and procedural controls which we believe to be proportionate to our risk profile;
2. adopt a risk-based approach including carrying out related anti-bribery and corruption risk assessments which identify the employees considered to be most at risk within our workforce each year (“high risk employees”);
3. require high-risk employees to complete e-learning education on an annual basis and make this training available to appropriate employees where necessary;
4. have established and communicated the Volex Code of Business Conduct to all employees, which covers anti-bribery and anti-corruption, amongst other areas;
5. have established contracting guidance for engaging with third parties including our suppliers so that these parties are made aware of this policy, and seek to enforce anti-bribery and anti-corruption principles in contracts with our customers and suppliers;
6. have established a comprehensive and confidential whistleblowing system and helpline under our Volex Speak Up policy;
7. have established a robust delegation of authority helping to ensure that financial transactions are subject to appropriate scrutiny and approval;
8. carry out appropriate due diligence before onboarding new suppliers and all supply contracts are subject to appropriate review and approval as required under our supplier framework;
9. assigned Executive responsibility to our Group’s Chief Financial Officer and Group General Counsel to ensure that management actions are taken to fulfil our obligations under this policy;
10. assigned overall responsibility for this policy and the effectiveness of our management system to the Volex Board’s Audit Committee.

Our Policy Principles

1. We require all employees and our third parties to act professionally and with integrity at all times.
2. The Group prohibits bribery or any corrupt behaviour in any form whether direct or indirect through third parties. This includes giving, promising to give, offering, or authorising the giving or offering of, or accepting bribes in any form (including kickbacks) with respect to any aspect of our business and operations. A kickback is the ‘return’ of an undue favour or service rendered, an illegal secret payment made as a return for a favour. A kickback is a bribe and the offer or receipt of any kickback is a criminal offence.
3. We do not allow political donations whether directly or indirectly to be made. Our Code of Business Conduct provides details on our approach to charitable donations.

Raising Concerns

Any individual who has a question or concern about the scope and application of the Act and or another aspect of this policy should refer all questions to the Group Legal Department, or through the Volex Speak Up reporting system, accessible at volex.ethicspoint.com.



Volex Anti-Bribery and Anti-Corruption Policy

Areas of Risk

The Company conducts a regular bribery risk assessment of all aspects of its business and operations and has identified the following areas as vulnerable to allegations of bribery:

- facilitation payments
- kickbacks
- gifts and hospitality
- dealings with employees (see our additional policy guidance document for more information)

This list is not exhaustive and all Employees should be mindful of the general anti-bribery principle underpinning this Policy in all of their conduct and dealings on behalf of the Group.

Further Policy Guidance

Key Principles

A bribe does not have to be cash. It can be any non-cash benefit such as the offer of tickets to a sporting event or the use of holiday accommodation. The person who receives the bribe is as guilty as the person who offers it even if it is unsolicited. The bribe may still be an offence under UK law if it is committed overseas, irrespective of whether it would be illegal under local law.

Remember, a bribe is a criminal offence with serious consequences.

Facilitation payments

The Group prohibits the making of facilitation or “grease” payments. Facilitation payments are often described as unofficial payments made to secure or speed up routine actions, often by public officials, such as issuing permits, licences or consents, immigration controls, scheduling inspections associated with contract performance, providing services or releasing goods held in customs. The payment offered or requested may be small but it will still be a bribe unless it is permitted or required by written local law. Public officials include any person who works for or represents any state or local government organisation and any person who works for a business which is owned by the state or local government – such as an airport.

Example:

An “expediting” fee is required by a government official to issue a permit in circumstances where the legitimacy of the fee is not clear, or a fee is demanded which the official claims is legitimate but is higher than the published fee or appears to be disproportionately high given the action required.

Suggested response:

You should consider the following action:

- firstly, payment should be resisted, particularly any payment in cash and/or payment directly to the official. You may want to use the illegality of the payment and the prospect of prosecution under the Act as a reason not to pay;
- if the official continues to demand payment, ask for documentary proof that the fee is payable;
- if the official cannot supply evidence that the fee is valid, you should again politely refuse to pay it or ask to see a more senior official;
- if this request is refused, or if the senior official is unhelpful, you should not make the payment and say to the official that you have noted their identity and that your employer will make a formal complaint to the official’s employer and to the relevant authorities; and

- finally, you should report the incident to your line manager and the Group General Counsel as soon as practicable giving as much detail as possible so that we can make a meaningful record of the situation and decide what action to take to ensure that it is not repeated.

If you have no option other than to pay, perhaps because you have good reason to believe that you cannot escape serious harm unless you meet a demand for payment, you may make such a payment in these exceptional circumstances. You should report the incident to your line manager and the Group General Counsel without delay.

The report must state:

- why the payment was unavoidable;
- the purpose of the payment;
- the amount of the payment;
- the date it was made; and
- the identity of the recipient of the payment, and of any superior official to whom reference was made, if known.

Kickbacks

Contracting and procurement are the operational functions with the highest vulnerability to kickbacks.

The Group has a zero tolerance approach to kickbacks. A kickback is the ‘return’ of an undue favour or service rendered, an illegal secret payment made as a return for a favour. A kickback is a bribe and the offer or receipt of any kickback is a criminal offence. A contractual rebate, discount or refund for bulk purchasing would not normally fall within the definition of a kickback. The Group is committed to the highest standards of business integrity and will operate transparently and fairly in its business dealings. A payment should never be made to a commercial counterparty to win business or influence a business decision in the Group’s favour. Kickbacks, secret commissions and similar payments made in the course of the Group’s business are strictly prohibited.

Prevention of Bribery by Associates

Under the Act, the Company may become criminally liable where an act of bribery has been committed by a person, firm or company who is associated with the Company (such as an agent or service provider).

The Company’s only defence is to be able to demonstrate that it had “adequate procedures” in place to prevent bribery being committed by someone associated with it.

The Company therefore requires certain screening and due diligence procedures to be carried out in respect of its agents, intermediaries, joint venture partners, other representatives and any customer or supplier with who the Company intends to enter into a material contract (“Associates”) to ensure that the highest ethical standards are maintained and to protect the Group from the risk of it being associated with illegal or corrupt payments or such payments being made on its behalf.

Monitoring procedures

Employees must keep compliance by Associates under review and report any suspected breaches of contractual obligations or unlawful conduct as set out below. The Group has a specific Associate Checklist (and any follow-up due diligence) which is designed to eliminate bribery and corruption risks posed by Associates at the pre-contract stage. However, it is also your responsibility to monitor the on-going activities of the Associates

Volex Anti-Bribery and Anti-Corruption Policy

with whom you have direct contact and update the Associate Checklist produced for that Associate if there are any significant changes, for example, there is a change in ownership of the Associate or the role of the Associate changes.

In your dealings with Associates, the following non-exhaustive list of “red flags” should put you on notice of possible bribery risks and should be reported to your line manager and the Group General Counsel:

- dealings in jurisdictions with a history of bribery and corruption (see the Transparency International Corruption Perceptions Index: <http://cpi.transparency.org/cpi2013/results/>);
- close ties with any Government or any Government agency in the UK or overseas;
- poor or non-existent anti-bribery policy or a reluctance to co-operate with the Associate Checklist process, or refusal to accept contractual anti-bribery and anti-corruption provisions;
- poor or non-existent records of monitoring compliance with its own anti-bribery policy;
- extensive use of third party agents and intermediaries, particularly in jurisdictions with a history of bribery and corruption;
- a client or a government official requests the use of a specific third party agent or intermediary;
- odd payments or unexplained accounts in financial records (if available for review);
- market rumours or allegations of inappropriate practices or requests for kickbacks;
- false or misleading documentation;
- adverse press comment on business dealings; and
- evidence of extravagant corporate hospitality, gifts or expenses.

APPENDIX 1 - GIFTS AND HOSPITALITY POLICY

Introduction

The Company recognises that offering or accepting gifts and hospitality is usually a legitimate contribution to building good business relationships. However, gifts and corporate hospitality may cross the line and become an illegal bribe if they are disproportionate. Directors and employees must exercise care when offering or accepting gifts and hospitality in order to protect their reputation and the Company’s reputation against allegations of improper behaviour and to ensure that bribery laws are not breached.

Gifts - include money, goods, services or loans given ostensibly as a mark of friendship or appreciation.

Hospitality - includes entertaining, meals, receptions, tickets to entertainment, social or sports events, participation in sporting events, such activities being given or received to initiate or develop relationships with business people or other third parties.

Gifts and hospitality that are never acceptable

Directors and Employees shall not:

- actively request or seek gifts, entertainment, favours, or anything of substance, directly or indirectly, from customers, vendors, suppliers, or others that do business or are trying to do business with the Group;
- accept the offer of hospitality where the host, or a representative of the host, will not be present;
- accept or offer cash or its equivalent or an unduly extravagant gift or offer of hospitality to or from customers, vendors, suppliers, or others that do business or are trying to do business with the Group;
- accept or offer a gift, entertainment, favour or anything of substance to or from any person if a sense of obligation is incurred in relation to the award of a contract or business to or by the relevant person or organisation;
- offer a gift, entertainment, favour or anything of substance to any foreign public official or any member of their family;
- offer a gift, entertainment, favour or anything of substance to any UK public official or any member of their family if it is in any way intended to, or an inference may be drawn that it is intended to, influence any action or decision which may have an impact on the business of the Group;
- accept a gift, entertainment, favour or anything of substance that would not be reciprocated by the Group; or
- accept or request a gift, entertainment, favour or anything of substance on behalf of any of your friends or family or offer any such thing to any friend or family member.

Gifts and hospitality that are usually acceptable without prior approval (subject to the self-approval test)

Where gifts and hospitality are sufficiently modest, they should not require prior approval (subject to the self-approval test and any approval/reporting requirements, set out in further detail below).

(i) Self-approval test

You should ask yourself the following questions to determine whether a gift or hospitality is appropriate:

- is the gift or hospitality proportionate? Would the guest or

Voilex Anti-Bribery and Anti-Corruption Policy

the recipient (as appropriate) be able or likely to purchase something of comparable value reasonably routinely?

- would a person of a similar position to you regard the gift or hospitality as unduly extravagant in the circumstances?
- do you intend for your gift / hospitality to induce improper behaviour?
- would a recipient, in any way, feel under an obligation to do something for you in return for the gift/hospitality?
- would you be embarrassed if your manager, colleagues or anyone outside the Group became aware of the gift or hospitality?

If the answer to any of the above questions is yes, then you should consult your line manager or, in circumstances where your line manager is not available, please contact the Group's General Counsel.

Gifts and Hospitality reporting/approval limits:

The below must be read in conjunction with the Group's Travel and Expenses Policy (available upon request):

Gift/Hospitality RECEIVED or GIVEN	Line manager approval needed in advance	Should this be reported in the Gifts and Hospitality Register?
Gifts under USD50	No	No
Gifts of USD50 or above	Yes	Yes
Hospitality under USD150	No	No
Hospitality of USD150 or above	Yes	Yes

NOTE:

- 1) the General Manager at each site or Group entity may have imposed lower approval limits than those set out above and additional country-specific rules may apply in certain circumstances. It is the responsibility of each Employee to speak with their line manager to understand and confirm the approval limits at the site or Group entity.
- 2) in circumstances where a group of Employees accept hospitality, the most senior Employee in attendance is responsible for obtaining the required approval and reporting it on the Register.

Any gifts / hospitality that you receive or give above the threshold limits, set out above, must be recorded using the Gifts and Hospitality Register (the "Register"), which is located on the Company's intranet site. Each location has appointed a designated contact to maintain the Register (the "Designated Contact").

It is your responsibility to email your Designated Contact details of any gifts/hospitality that you receive or give above the threshold limits. At a minimum you should provide the following information to your Designated Contact:

- name of the party who received or provided the gift / hospitality;
- value of the gift / hospitality;
- name of the person who provided written approval of the transaction.

How will the Register be maintained and monitored?

Each site or Group entity Finance Manager/Controller is responsible for reviewing and approving the Register on a monthly basis as part of the month-end close process.

The Regional Chief Financial Officers or equivalent roles will review the Log for "reasonableness" and for compliance purposes at regular intervals. Other members of the Executive team, including the Group Chief Financial Officer and the Group's Financial Controller, will review the Register on an ad-hoc basis.