



ANTI-BRIBERY COMPLIANCE POLICY

(Revised September 2016)

Executive Summary

The purpose of this Policy is to assist employees in understanding, identifying and complying with applicable anti-bribery standards.

Guidelines:

- Compliance with anti-bribery laws and regulations.
- Compliance with Company policy on business gifts and entertainment.

Instro Precision Limited (the **Company**) is committed to conducting its business with the highest ethical principles, fairly, openly, honestly and in compliance with anti-bribery standards.

The Company is active in various markets and seeks to comply with the anti-bribery laws of a number of jurisdictions. This includes:

- The U.K. Bribery Act 2010 (the **Bribery Act**);
- The U.S. Foreign Corrupt Practices Act 1977 (**FCPA**); and
- Other anti-bribery laws throughout the world which apply in the countries in which the Company does business.

The Company has zero tolerance for bribery. The Company's rejection of bribery has important business benefits, including maintaining its corporate reputation and retaining the confidence of customers and third parties with whom we do business.

Failure to comply with this Policy may result in significant civil and criminal penalties against the Company, as well as the individuals involved, and may lead to disciplinary action up to and including termination of employment. This Policy supplements the Company's Code of Business Conduct and Ethics and other related policies and procedures.

This Policy applies to:

- All directors, officers and employees of the Company;
- Subsidiaries and joint ventures of the Company; and
- Consultants to and representatives of the Company, Company subcontractors and suppliers. Consistent with the section "Consultants, Representatives, Subcontractors and Suppliers" below, compliance with anti-bribery laws and regulations is required and will be reflected in the Company's agreements with consultants, representatives, subcontractors and suppliers.

Any questions about this Policy should be addressed to the Company's legal counsel.

The personnel affected by this Policy include all Company directors, officers and employees.

This Policy does not form part of any employee's contract of employment, and the Company may amend it at any time.



The Company's Managing Director is responsible for the implementation of this Policy, including the provision of appropriate training to the applicable Company functions. The Company's legal counsel is responsible for the monitoring of compliance with this Policy, other related policies and procedures and applicable anti-bribery laws.

Policy effectiveness controls include:

- Regular internal compliance reviews;
- Disciplinary processes for non-adherence; and
- Ongoing monitoring of anti-bribery compliance standards.

Definitions and Abbreviations

Bribery

Bribery is defined in different ways under different countries' laws. In general, and for the purposes of this Policy, it is the offering, promising, giving or receiving of anything of value to or from any (1) private or public organisation; or (2) individual (including any Government or Public Official), in order to derive an inappropriate advantage for the Company or otherwise.

This includes the offering, promising, giving or receiving of anything of value:

- (1) with the intent to induce that person (or some other person) to improperly perform (as defined below) a Relevant Function or Activity (as also defined below); and/or
- (2) To reward a person for the improper performance of such a Relevant Function or Activity.

It also includes offering, promising, giving or receiving of anything of value, knowing or believing that the acceptance of the advantage would itself constitute the improper performance of a Relevant Function or Activity by another person.

The giving of anything of value to a Government or Public Official may constitute Bribery regardless of whether there is an intention to induce the Government or Public Official to improperly perform his/her Relevant Function or Activity.

The Company may also be guilty of a Bribery offence if it fails to prevent Bribery. To address this risk, the Company needs to ensure it has in place adequate policies and procedures to prevent bribery. This Policy is a key part of those adequate procedures. All those covered by this Policy (as identified above), must act in accordance with it at all times.

Government or Public Official

References to a Government or Public Official means an individual who:

- (1) holds a legislative, administrative or judicial position of any kind, whether appointed or elected, in any country or territory; and/or
- (2) exercises a public function for or on behalf of any country or territory or for any public agency or enterprise of that country or territory; and/or
- (3) is an official or agent of a Public International Organisation.



Public International Organisation

A Public International Organisation means an organisation whose members are any of the following:

- countries or territories;
- governments of countries or territories;
- other public international organisations; or
- a mixture of any of the above.

Examples include: the United Nations and the World Bank.

Relevant Function or Activity

A Relevant Function or Activity means any function of a public nature or any activity which is connected with a business, performed in the course of a person's employment or performed by or on behalf of a body of persons (whether corporate or unincorporated), provided that the person performing the function or activity is expected to perform it in good faith, impartially and/or is in a position of trust by virtue of performing it.

1. General

1.1 General Prohibition on Bribery

Company directors, officers and employees (including any contract employees), subsidiaries and joint ventures of the Company, consultants to and representatives of the Company, Company subcontractors and suppliers are prohibited from engaging in Bribery. The preceding statement should be interpreted broadly.

The following concepts are essential to understanding the scope of the prohibition.

1.1.1 Direct or Indirect

If you are prohibited from making any payment, gift, offer or promise directly, you are also prohibited from making it indirectly (i.e. via a third party intermediary).

You may not instruct, authorise or allow a third party to make a prohibited payment on your behalf, and you may not make a payment to a third party knowing or having reason to believe that all or some portion of that payment may be used for the purposes of Bribery.

1.1.2 Private or Public Sector

Bribery is illegal whether it takes place in the private or public sector. You must ensure that you do not engage in Bribery in connection with any of the Company's dealings or activities involving private or public companies, organisations and/or individuals. While particular care should be taken in dealings or activities involving Government or Public Officials, it is important to remember that private entities and individuals may also be the subject of Bribery.



1.1.3 Anything of Value

"Anything of value" includes not only cash and cash equivalents, but also gifts, entertainment, accommodations, offers of employment and anything else of tangible or intangible value.

However, reasonable and proportionate business entertainment, gifts and travel expenses for valid business purposes are permissible under this Policy. Further information is provided in the "Business Entertainment, Gifts and Travel Expenses" section below.

1.2 Facilitation Payments are prohibited

Facilitation or "grease" payments are small payments to a Government or Public Official to expedite or secure performance of a routine, non-discretionary governmental action, such as obtaining utility services or clearing customs. Such payments are prohibited.

The only situation where a payment of this nature would be permissible is where there is a credible threat to the life, limb or liberty of the person being asked to make the payment. If such a situation arises, it must be reported to the legal counsel as soon as possible.

1.3 Record-Keeping

Directors, officers and employees must help to ensure that Company books and records (which include virtually all forms of business documentation) accurately and fairly reflect, in reasonable detail, all transactions and dispositions of assets.

No undisclosed or unrecorded fund or asset may be established or maintained for any purpose.

No director, officer or employee will participate in falsifying any accounting or other business record, and all directors, officers and employees must respond fully and truthfully to any questions from the Company's internal or independent auditors or other internal investigative functions.

1.4 Reporting Violations

Violations of this Policy should be reported to the Company's legal counsel. Violations can also be openly or anonymously reported to the Company's Managing Director or Chair of the Board of Directors pursuant to the Whistle-blower provisions of the Company's Code of Business Conduct and Ethics.

Consistent with Company policy, there will be no retaliation by the Company nor any adverse employment consequence for reporting information in good faith (even if subsequently found to be incorrect).



2. Business Entertainment, Gifts and Travel Expenses

Entertaining or providing gifts to organisations or individuals (including Government or Public Officials), or paying for travel expenses or accommodation for such individuals or officials, is a potential area of risk.

Company directors, officers and employees must not request, accept, offer or provide gifts or hospitality designed to induce, support or reward improper conduct including in relation to any business or anticipated future business involving the Company.

Subject to the thresholds and approvals identified below, modest gifts and hospitality may usually be offered or accepted provided there is no expectation or belief that something will be given in return. In assessing the compliance of any gift or hospitality with this policy, consideration should be given to, amongst other things, the proportionality, the frequency, the timing and the intent behind the gift or hospitality.

If you are uncertain of the application of this policy to a particular gift or specific hospitality, you should consult and seek the approval of the Company's legal counsel.

2.1 Business Entertainment and Hospitality

Company directors, officers and employees may only accept entertainment or entertain organisations or individuals (including Government or Public Officials) where there is a valid business purpose and the entertainment or hospitality is reasonable and proportionate in view of such business purpose. Entertainment and hospitality must provide an opportunity to address business issues and must not be lavish or otherwise have the potential to embarrass the Company.

Company directors, officers and employees must also ensure that they do not give or receive any entertainment or hospitality that may amount to, or be reasonably perceived as, Bribery or that might create a potential conflict of interest for the director, officer or employee, or otherwise have the potential to embarrass the Company.

Business entertainment or hospitality for organisations or individuals (including Government or Public Officials) that meets the standards set forth above is permitted if it does not exceed £100 in value per person per occasion. The director, officer or employee arranging for such entertainment must promptly submit documentation of the business entertainment and expense to his or her supervisor in accordance with applicable Company procedures for reimbursement of business expenses.

If the amount of the business entertainment is more than £100 per person per occasion, it is only permitted upon the pre-approval of the Company's Managing Director. Amounts greater than £300 per person per occasion must receive the pre-approval of both the Company's Managing Director and legal counsel.

Directors, officers and employees must also take care to ensure that no organisation or individual (including any Government or Public Official) is provided with entertainment or hospitality which, in aggregate and taking into account the frequency, is or may be reasonably perceived as excessive or lavish.

Details of any hospitality, including the actual or estimated value per person and, where required, confirmation of pre-approval, should be recorded in the Company's records.



If you are the recipient of an offer of hospitality which appears to exceed approval limits or otherwise does not accord with this policy, you must declare the offer to the Managing Director or legal counsel. You may be required to politely decline the offer.

2.2 Gifts

Gifts may only be given to organisations (or individuals within such organisations including Government or Public Officials), or accepted from third parties if (i) they are of token or nominal value, below the £50 threshold without approval or above the £50 threshold if approved by the Company's legal counsel; (ii) are legal in the jurisdiction in which they are given and in the jurisdiction in which the recipient of the gifts resides; and (iii) are given openly (and specifically, where the gift is given to an individual, steps are taken to ensure the relevant organisation is aware of the gift).

Gifts of cash or equivalents (such as gift certificates, share options, loans or share) are never acceptable.

Pre-approval is required for all gifts over £50. This should be sought from legal counsel. Pre-approval is not required for small or inexpensive items with the Company logo on them or gifts valued at less than £50, but the expenses for such gifts must be supported by receipts and accurately recorded in the Company's books.

Details of any gift given or received, including the actual or estimated value and, where required, confirmation of pre-approval, should be recorded in the Company's records.

If you are the recipient of a gift which appears to exceed approval limits or otherwise does not accord with this policy, you must declare the item to the Managing Director or legal counsel.

In respect of a gift, you may be required to surrender it to the Company, return it or give it to charity if it is not considered appropriate to retain it.

2.3 Travel Expenses

Payment or reimbursement of travel expenses, including food and lodging, for individuals (including Government or Public Officials) is only permissible if such expenditure is directly related to the promotion or demonstration of the Company's products or services, or directly related to the performance of a contract to which the Company is a party.

Expenses beyond what is reasonably necessary and proportionate for the business purpose, such as lavish accommodations or expenses for spouses and children are not permitted.

Payment or reimbursement of travel expenses must be approved in advance by the Company's Managing Director. Wherever possible, all expenses should be paid directly to the vendor or supplier of the services and not to the organisation or individual (including a Government or Public Official) benefiting from the payment or reimbursement.



3. Consultants, Representatives, Subcontractors and Suppliers

The Company could be held criminally liable for the acts of third parties acting on the Company's behalf. To address this risk, it is important that all consultants, Company representatives, subcontractors and suppliers are subject to appropriate due diligence, contractual commitments and monitoring, as set out below.

3.1 Related Procedures

Consultants, representatives, subcontractors and suppliers may be retained to promote the Company's business or otherwise assist the Company in operating and carrying out its business and activities, including with regard to any necessary interaction with Government or Public Officials.

Such third parties may only be engaged by the Company following completion of due diligence, contracting and approvals processes as specified in the Company's internal procedures. The Company's policies require, among other things, sufficient due diligence to be performed to enable the Company to understand any potential bribery or corruption risk associated with the third party, and to conclude with reasonable assurance that the third party understands and will fully abide by relevant anti-bribery laws applicable to the Company's business.

The Company must have a written agreement in place with each such party, and the agreement must specifically bind such party to comply with all applicable anti-bribery laws, including the Bribery Act and the FCPA as if such laws applied directly to such parties, as well as with other applicable Company policies and procedures.

3.2 Red Flags

In all dealings with third parties, Company directors, officers and employees must be conscious of any "red flags" that may indicate possible anti-bribery risks.

What constitutes a "red flag" will depend on the context and nature of the business being conducted. However, by way of example, red flags may include:

- Requests for or offers of cash;
- Requests for payments to be routed through third parties and/or offshore or otherwise questionable corporate entities or jurisdictions;
- Refusal to contractually or formally commit to compliance with applicable anti-bribery laws and regulations;
- Information suggesting previous involvement in behaviour which would contravene applicable anti-bribery laws and regulations, including press reports, legal actions and/or official censure;
- Requests for actions inconsistent with open and transparent relations with an individual's employer;
- A history of corruption in the country and/or sector concerned;
- Suggestions from a third party that money is needed to "get the business" or "facilitate matters" or similar such terms;
- Urgent or unusual requests for payments or other advantages;

- Third party due diligence indicating a close personal/professional relationship between the third party and a Government or Public Official or customer that could improperly influence a decision;
- Recommendation of a third party by a Government or Public Official; and
- Insufficient bona fide business reasons for retaining the third party.

It is the responsibility of the director, officer or employee who observes or suspects a red flag to report the matter to his/her supervisor as well as the Company's legal counsel.

4. Political Donations

It is the policy of the Company not to make any political donations as an organisation. Company directors, officers and employees may choose to make payments from their own money, but not with a view to influence a third party for the benefit of the Company, or in any way that might give the impression that such influence was intended.

5. Charitable Donations

The Company may permit reasonable donations to charities from Company funds. However, the Company must be certain that charitable donations cannot be viewed as an attempt to buy influence for the benefit of the Company or in any other way as being improper, and on a worst case basis are not disguised unlawful payments to private individuals or Government or Public Officials in violation of anti-corruption laws. Care should be taken to ensure that charity is legitimate and that any donation is not diverted to other beneficiaries. No charitable donation should therefore be made or agreed without approval from the Managing Director.

6. Offers of Employment or Internships/Work Experience

The provision of an offer of employment or an internship or work experience to a person, or a relative of a person, who has business contacts with the Company, whether paid or unpaid, may be viewed as a benefit (and potentially an improper one) to a third party. No such offer should be made without first seeking approval from the Managing Director, who will consult with legal counsel. Any requests you receive from such persons for offers of employment, internships or work experience should be passed to the Managing Director.

7. Communication and Training

The Managing Director is responsible for communicating this Policy and associated procedures to Company employees and representatives. Training on this Policy, including on the bribery and corruption risks the Company faces, forms part of the induction process for all individuals who work for us, and is communicated to all Company directors, officers and employees through regular training and other communications as appropriate.

Signed:

A handwritten signature in black ink, appearing to read "Tom Cross", written over a horizontal line.

Tom Cross
Managing Director

Date: 14/11/2017