

ANTI-BRIBERY AND CORRUPTION POLICY

1. POLICY STATEMENT

1.1 This policy applies to Zotefoams plc and all its subsidiary companies and associates and/or, where specified by agreement, joint-venture entities.

1.2 It is Zotefoams' policy to conduct all its business in an honest and ethical manner. Zotefoams takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all business dealings and relationships wherever it operates and implementing and enforcing effective systems to counter bribery and corruption.

1.3 Zotefoams will uphold all laws relevant to countering bribery and corruption in all jurisdictions in which it operates.

1.4 The purpose of this policy is to:

(a) set out Zotefoams' responsibilities, and of those working for Zotefoams (regardless of where they are located in the world and which company employs them), in observing and upholding its position on bribery and corruption; and

(b) provide information and guidance to those working for Zotefoams on how to recognise and deal with bribery and corruption issues.

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

1.6 In the unlikely event where it becomes known that a bribery incident has been committed by a worker, it is Zotefoams' policy to report the matter to the relevant prosecuting authorities and to co-operate fully with them in their investigation and prosecution of the matter.

1.7 In this policy, third party means any individual or organisation you come into contact with during the course of your work for Zotefoams, 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.

2. WHO IS COVERED BY THE POLICY?

This policy applies to all individuals working at all levels and grades within Zotefoams, including senior managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, homeworkers, casual workers and agency staff, volunteers, interns, agents, distributors, sponsors, or any other person associated with Zotefoams, wherever located in the world and irrespective of which company employs them within Zotefoams (collectively referred to as workers in this policy).

3. WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. A bribe need not only be a direct payment or benefit, but can cover indirect arrangements, which offer a benefit, not necessarily financial, to the recipient.

Examples:

Offering a bribe – Example 1

You offer a potential client tickets to a major sporting event, but only if they agree to do business with Zotefoams.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. Zotefoams may also be found to have committed an offence because the offer has been made to obtain business for Zotefoams. It may also be an offence for the potential client to accept your offer.

Offering a bribe – Example 2

A potential client requests you to make a donation to his preferred charity as a condition of you obtaining his business.

Notwithstanding that the potential client might not benefit directly from the donation, any such donation offered or made could be considered to be a bribe. Any such requests received should be referred to the Group CEO who will use impartial criteria to determine whether to make a donation. The potential client should be advised that Zotefoams uses impartial criteria in making donations and each request is judged purely on its merits against the criteria and not on obtaining new business.

Receiving a bribe

A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence to ensure Zotefoams continues to do business with them.

It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for an additional payment to be made to a foreign official to speed up an administrative process, such as clearing Zotefoams' products through customs.

The offence of bribing a foreign public official is committed by you as soon as the offer is made regardless whether it is accepted or is successful or not. This is because it is made to gain an inappropriate business advantage for Zotefoams. Zotefoams itself may also be found to have committed an offence.

4. WHAT IS NOT ACCEPTABLE?

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

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that an inappropriate business advantage will be received, or to reward an inappropriate business advantage already given;
- (b) 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;
- (c) accept payment from a third party that you know or suspect is offered with the expectation that party will obtain an inappropriate business advantage for them;

- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that an inappropriate business advantage will be provided by Zotefoams in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

5. FACILITATION PAYMENTS AND KICKBACKS

5.1 Zotefoams does not make, and will not accept, facilitation payments or "kickbacks" of any kind. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by Zotefoams.

5.2 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. It is very rare for them to be paid in the UK, but they are common in some other jurisdictions. Kickbacks are typically payments made in return for a business favour or advantage.

5.3 If you are asked to make a payment on Zotefoams' 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 the Company Secretary immediately.

6. YOUR RESPONSIBILITIES

6.1 You must ensure that you read, understand and comply with this policy.

6.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for Zotefoams or under Zotefoams' control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.

6.3 You must notify your manager or the Company Secretary as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain an inappropriate business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the Appendix to this policy.

6.4 Any worker (who is an employee) who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct. Zotefoams reserves the right to terminate its contractual relationship with other workers if they breach this policy. Zotefoams will always notify the relevant legal authorities.

7. RECORD-KEEPING

7.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

7.2 You must declare to the Company Secretary all hospitality or gifts accepted or offered, who will record them in a register. Gifts and hospitality that are de minimis, such as inexpensive pens and working lunches, need not be disclosed, unless they become frequent, ie exceed £100 received from/given to one source in a financial year.

7.3 You must ensure all expenses claims relating to hospitality, gifts or expenses provided to third parties are submitted in accordance with Zotefoams' expenses policy (as set out in the Controller's Manual) and specifically record the reason for the expenditure.

7.4 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.

8. HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager or the Company Secretary. Alternatively, if you feel you cannot raise the matter with your line manager or the Company Secretary you may follow the procedure set out in Zotefoams' Whistleblowing Policy. A copy of the Whistleblowing Policy can be found on the Company's Sharepoint and is also available on request.

9. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you tell the Company Secretary as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

10. PROTECTION

10.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. Zotefoams aims to encourage openness and will support anyone who raises genuine concerns in the public interest under this policy, even if they turn out to be mistaken.

10.2 Zotefoams is committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting their genuine concern that an actual or potential bribery or other corruption offence has taken place, or may take place in the future.

Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Company Secretary immediately. If the matter is not remedied, you should raise it formally using the relevant grievance or dispute resolution procedure (depending upon where you work).

11. TRAINING AND COMMUNICATION

11.1 Training on this policy forms part of the induction process for all new workers. Relevant workers will receive regular training on how to implement and adhere to this policy.

11.2 Zotefoams' zero-tolerance approach to bribery and corruption must be communicated to suppliers, contractors, agents and business partners at the outset of the business relationship with them and as appropriate thereafter.

12. WHO IS RESPONSIBLE FOR THE POLICY?

12.1 The Board of Directors has overall responsibility for ensuring this policy complies with Zotefoams' legal and ethical obligations, and that all those under Zotefoams' control comply with it.

12.2 The Board of Directors has delegated to the Audit Committee the responsibility to ensure, at least annually, that the procedures to prevent bribery and corruption and the monitoring and review thereof, remain effective.

12.3 The Company Secretary 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.

13. MONITORING AND REVIEW

13.1 The Company Secretary will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness particularly in the light of changes to global business activity and scale of operation. Any improvements identified will be recommended to the Audit Committee.

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

13.3 Workers 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 Company Secretary.

13.4 This policy forms part of the worker's contract of employment.

Approved by the Board of Directors on 19 June 2019

Contractual

Appendix scenarios: "red flags"

Potential risk

The following is a list of possible red flags that may arise during the course of you working for Zotefoams 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 you encounter any of these red flags while working for Zotefoams, you must report them promptly to your manager or the Company Secretary or use the procedure set out in the whistleblowing policy:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) 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;
- (c) 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;
- (d) 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;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) 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
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party.