



SATELLITE INFORMATION SERVICES LIMITED

ANTI-CORRUPTION POLICY

June 2011

This policy sets out the general rules and principles to which we adhere in the conduct of business. It will be communicated to all businesses and employees, as well as to relevant business partners and other individuals and entities as needed. Those who work in areas within our business identified as being exposed to particularly high risks will receive additional training and support in identifying and preventing corrupt activities.

This policy explains the procedures by which SIS can maintain high ethical standards and protect its reputation against any allegations of bribery and corruption. Its successful implementation requires pro-active adoption at the following levels:

You – As an employee, temporary worker or contractor of SIS, you are required to read and understand all aspects of this policy, and to abide by it.

Department Manager – Each department's overall compliance with the requirements of this policy is the responsibility of the head of the department.

Divisional Management – The Managing Directors of business divisions have overall responsibility for ensuring that all business units within their division comply with this Policy

SIS Board of Directors ("the Board") – The Board will assist with continuous refreshing and reinforcing of this policy via application guidance and monitoring.



1. Policy Statement

It is SIS's policy to conduct business honestly, and without the use of corrupt practices or acts of bribery to obtain or receive an unfair advantage.

SIS is committed to ensuring adherence to the highest legal and ethical standards of business conduct. This must be reflected in every aspect of the way in which we operate. We must conduct all our dealings with integrity. Bribery and corruption harms the societies in which these acts are committed and prevents economic growth and development.

This is not just a cultural commitment on the part of the organisation; it is a moral issue and a legal requirement. Bribery is a criminal offence in most countries in which SIS operates, and corrupt acts expose the company and its employees to the risk of prosecution, fines and imprisonment, as well as endangering the company's reputation.

This policy has been adopted by the Board and is to be communicated to everyone involved in our business to ensure their commitment to it. The Board attaches the utmost importance to this policy and will apply a "zero tolerance" approach to acts of bribery and corruption by any of our employees or by business partners working on our behalf.

The SIS Information and Consultation Committee (ICC) and trade union representatives recognised for the purpose have been consulted and endorse the contents of this policy.

This policy is for guidance only and does not form part of the contract of employment. SIS may amend it at any time in consultation with the ICC and trade unions. Any breach of this policy will be regarded as a serious matter and will be dealt with under our disciplinary procedure. In serious cases, it may be treated as gross misconduct leading to summary dismissal.



2. What is Bribery and Corruption?

Bribery and corruption has a range of definitions in law, but the fundamental principles apply universally.

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action which is illegal, unethical or a breach of trust.

Corruption is the misuse of an office or power (whether in government or in business) for private gain.

Acts of bribery or corruption are intended to influence recipients in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the recipient of the act of bribery or corruption works in the public or private sector is irrelevant.

The person being bribed is generally someone who will be able to obtain, retain, or direct business. This may involve sales initiatives, such as tendering and contracting or it may simply involve the handling of administrative tasks such as licenses, customs, taxes or import/export matters. It does not matter whether the act of bribery is committed before or after the tendering of a contract or the completion of administrative tasks.

3. What is a Bribe?

Bribes can take on many different shapes and forms, but typically they involve corrupt intent. There will usually be a 'quid pro quo' – both parties will benefit. A bribe could be any of the following:

- Direct or indirect promise, offering, or authorisation, of anything of value;
- Offer or receipt of any kickback, loan, fee, reward or other advantage;
- Giving of aid, donations or voting designed to exert improper influence.



4. Who Can Engage in Bribery or Corruption?

In the eyes of the law, bribery and corrupt behaviour can be committed by:

- An employee, officer or director of a company;
- Any person acting on behalf of the company (e.g. business partners who are agents);
- Individuals and organisations where they authorise someone else to carry out these acts.

Acts of bribery and corruption will commonly (but not always) involve public or government officials (or their close families and business associates). For the purposes of this policy, a government official could be:

- A public official, whether foreign or domestic;
- A political candidate or party official;
- A representative of a government regulator (e.g., Ofcom, HMRC) or of a government-controlled organisation (e.g., BBC).

5. What Does the Law Say About Bribery and Corruption?

Bribery is a criminal offence in most countries in which SIS operates, and penalties can be severe. In the UK the Bribery Act 2010 not only makes bribery and corruption illegal, but also holds UK companies liable for *failing to implement adequate procedures to prevent such acts by those working for the company or on its behalf, no matter where in the world the act takes place.*

In addition, SIS also operates in the USA and the current US legislation (Foreign Corrupt Practices Act or FCPA) offers similar prohibitions and potential penalties and is enforced with vigour by the US authorities. It is therefore in your interests, as well as those of SIS, that you act with propriety at all times. Corrupt acts committed abroad, including those by business partners working on our behalf, may well result in a prosecution at home.



6. What Steps Can We Take to Prevent Bribery and Corruption?

We can take the following steps to assist in the prevention of bribery and corruption:

6.1. Risk Assessment

Effective risk assessment lies at the very core of the success or failure of this policy. Risk identification pinpoints the specific areas in which we face bribery and corruption risks and allows us to better evaluate and mitigate these risks and thereby protect ourselves. Business practices around the world can be deeply rooted in the attitudes, cultures and economic prosperity of a particular region – any of which can vary. Divisional Management must assess the vulnerability of each business unit to these risks on an ongoing basis, subject to review by the Chief Finance Officer (who is the designated Compliance Officer under this Policy).

Risk assessment is intended to be an ongoing process with continuous communication between Divisional Management and the Compliance Officer.

6.2. Accurate Books and Record-Keeping

Many serious bribery and corruption offences have been found to involve some degree of inaccurate record-keeping. We must ensure that we maintain accurate books, records and financial reporting within all SIS business units and for significant business partners working on our behalf. Our books, records and overall financial reporting must also be transparent. That is, they must accurately reflect each of the underlying transactions and all payments must be supported by invoices. False, misleading or inaccurate records of any kind could potentially damage SIS.

6.3. Effective Monitoring and Internal Control

Our businesses must all maintain an effective system of internal control and monitoring of our transactions. Once bribery and corruption risks have been identified and highlighted via the risk assessment process, procedures can be developed within a comprehensive control and monitoring programme in order to help mitigate these risks on an ongoing basis.

Divisional Management must ensure that Department Managers engage in effective risk assessment and implement the necessary steps to prevent bribery and corruption. Divisional Management should consult with the Compliance Officer, who (through the Legal Department) will make available guidelines, principles and methodologies for the identification, mitigation and monitoring of these risks.



7. Where Do the Bribery and Corruption Risks Typically Arise?

Bribery and corruption risks typically fall within the following categories:

7.1 Use of Business Partners

The definition of a business partner is broad, and could include agents, distributors, joint venture partners or partners in SIS's supply chain who act on behalf of the company. Whilst the use of business partners can help us reach our business goals, we need to be aware that these arrangements can potentially present SIS with significant risks.

Risk can be identified where a business partner conducts activities on SIS's behalf, so that the result of their actions can be seen as benefiting SIS. Such business partners are more commonly known as agents.

Business partners who act on SIS's behalf must always be advised of the existence of, and operate at all times in accordance with, this policy.

Divisional Management is responsible for the evaluation of each relationship and determining whether or not it falls into this category. Where risk regarding a business partner arrangement has been identified, Divisional Management must:

- Evaluate the background, experience, and reputation of the business partner;
- Understand the services to be provided, and methods of compensation and payment;
- Evaluate the business rationale for engaging the business partner;
- Take reasonable steps to monitor the transactions of business partners appropriately;
- Ensure there is a written record in place which acknowledges the business partner's understanding and compliance with this policy.

SIS is ultimately responsible for ensuring that business partners who act on its behalf are compliant with this policy as well as with any local laws. Ignorance or "turning a blind eye" is not an excuse. Divisional Management should consult in the first instance with the Head of Finance. Divisional Management and the Head of Finance should consult with the Compliance Officer and the Legal Department where necessary.

7.2. Gifts, Entertainment and Hospitality

Gifts, entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings, in connection with matters related to our business. These activities are acceptable provided they fall within reasonable bounds of value and frequency.



How to evaluate what is 'acceptable':

First, take a step back and ask yourself the following:

- What is the intent – is it to build a relationship or is it something else?
- How would this look if these details were on the front of a newspaper?
- What if the situation were to be reversed – would there be a double standard?

If you find it difficult to answer one of the above questions, there may be a risk involved which could potentially damage SIS's reputation and business. The action could well be unlawful.

Although no two situations are the same, the following guidance should be considered globally:

Never acceptable

Circumstances which are never permissible include examples that involve:

- A 'quid pro quo' (offered for something in return)
- Gifts in the form of cash/or cash equivalent vouchers
- Entertainment of a sexual or similarly inappropriate nature
- Lavish corporate hospitality

As a general rule, SIS employees and business partners should not provide gifts to, or receive them from, those meeting the definition of a government official in section 4 (or their close families and business associates). However, it is understood that in certain countries gift giving and receiving with such individuals is a cultural norm. If you are faced with such a situation, please consult with the Compliance Officer or the Legal Department before proceeding.

Usually acceptable

Possible circumstances that are usually acceptable include:

- Modest/occasional meals with someone with whom we do business;
- Occasional attendance at ordinary sports, theatre and other cultural events;

- Gifts of nominal value, such as pens, or small promotional items.



A variety of cultural factors such as customs, currency and expectations may influence the level of acceptability. If you feel uncertain at any time regarding cultural acceptability of gifts, entertainment or hospitality, please consult the Compliance Officer or the Legal Department. In addition, if an example does not fall under the above categories, please in the first instance seek guidance from the Compliance Officer. Generally, such examples would not be permissible without prior approval.

Transparency is key

Divisional Management will be required to maintain and monitor its gifts, entertainment and hospitality. In the event that an inappropriate or impermissible form of gift, entertainment or hospitality has been granted or accepted, you must contact the Compliance Officer immediately.

7.3 Facilitation Payments

In many countries, it is customary business practice to make payments or gifts of small value to junior government officials in order to speed up or facilitate a routine action or process. It may be that we need to obtain licences or permits faster than the normal course, or we may need lawfully to import or export equipment.

Despite this, facilitation payments as defined here are against this SIS policy and are illegal within the UK as well as within most countries in which we operate.

The UK Bribery Act 2010 makes no distinction between facilitation payments and bribes regardless of size or local cultural expectations, even if that is “how business is done here”.

However, if a facilitation payment is requested, or if you are forced to pay under duress or faced with potential safety issues or harm, such a payment may be made, provided that certain steps are followed. If you are ever placed in such a situation, you must contact the Compliance Officer or Legal Department as soon as possible and you must record the payment appropriately within SIS's books and records to reflect the substance of the underlying transaction.

If you are unsure whether certain payments which resemble the definition of facilitation payments are permissible, please contact the Compliance Officer or the Legal Department.



8. Departmental Adoption

In order for this policy to be effective, it must be applied across all departments. Department Managers are responsible for taking relevant steps within their department to ensure and continuously monitor compliance with this policy.

9. How to Raise a Concern

We all have a responsibility to help detect, prevent and report instances not only of bribery, but also of any other suspicious activity or wrongdoing. SIS is absolutely committed to ensuring that all of us have a safe, reliable, and confidential way of reporting any suspicious activity. We want each and every one to know how they can “speak up”.

If you have a concern regarding a suspected instance of bribery or corruption, please speak up – your information and assistance can only help. The sooner you act, the better for you and for the company.

If you are concerned that a corrupt act of some kind is being considered or carried out – either within SIS, by any of our business partners or by any of our competitors – you must report the issue/concern to your Line Manager. If for some reason it is not possible to speak to your Line Manager, please then report it to another Senior Manager, or the Compliance Officer.

In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. SIS has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. For further details see also SIS's policy on *Whistleblowing*. If you have any questions about these procedures, please contact the Compliance Officer.

10. Conclusion and Certification

It is the ultimate responsibility of the Board to refresh and reinforce this policy and its underlying principles and guidelines. Divisional Management, under the overview of the CFO and Head of Finance, are responsible for the establishment and ongoing monitoring of compliance with sections 6, 7 and 8 of this policy. All SIS business unit employees are responsible for annual certification as to the receipt and understanding of this policy as part of our annual compliance training. Certification records will be maintained and updated by HR.