

PRINCIPLES

Chloride is committed to honesty and integrity in how it does business. No employee, officer or representative of Chloride may engage in any dishonest practice or any form of corruption anywhere in the world. Corruption includes, but is not limited to, bribery, facilitation payments and giving or receiving any improper advantage. No other policy or objective should take precedence over this rule. All Chloride Group companies and employees must:

- Act with integrity at all times.
- Comply with the laws of the United Kingdom and any other country in which they are operating.
- Avoid giving or being perceived to give, or receiving or being perceived to receive, an improper advantage. An improper advantage includes a bribe, a facilitation payment and the awarding of other benefits to parties who would not obtain these on normal business grounds.
- Maintain full records of all payments made by all businesses in the Group.

In many countries bribery and/or corruption is a criminal offence, as are attempts, incitement or conspiracy to commit such an offence. The penalties on conviction are likely to be severe, and may include imprisonment. Further, under UK law, for example, commission of an offence overseas which would be criminal if committed in the UK is also a crime in the UK and can lead to prosecution in the UK.

Engaging in corrupt practices may also have the effect of making an employee or officer of the Group liable to pay damages or other remedies to a group company or others.

Any action in breach of this policy may constitute gross misconduct and as such could lead to dismissal. Any instance of breach, or suspected breach, of this policy will be investigated, and appropriate disciplinary action taken as necessary.

It must be recognised that it is not possible for this policy to outline a code for dealing with every situation. Employees are relied upon to exercise their own judgement, initiative and common sense when dealing with issues within the context of the principles set out above. If an employee is in doubt about a given situation then he should consult his General Manager, who should refer it to the Group Risk Manager and the Company Secretary for investigation.

The Group Risk Manager will act as Chloride's Compliance Officer.

AGENTS

Chloride frequently retains third parties as agents to represent its business interests. The procedure (set out below) for the appointment of agents applies to all such appointments.

It is important to have a consistent procedure for the appointment and retention of agents worldwide. It is expected that following the procedure will enable Chloride to manage its agents more effectively as well as reduce Chloride's commercial and legal risks.

The default position is that Chloride should be capable of representing its own interests in most cases, and so the use of an agent needs to be objectively justified. Chloride's businesses will be required to make a case for appointing or retaining an agent in each situation, and use of the procedure should ensure that the risk to Chloride of using an agent will be minimised as far as possible.

The procedure for the appointment of agents has three main stages:

- (1) The relevant Chloride business produces a business case for the appointment or retention of an agent. The case is submitted to the Contracts Manager and the Group Risk Manager;
- (2) On receipt of the application, the Contracts Manager contacts the agent, carries out a "due diligence" exercise, and negotiates a suitable contract (including suitable provisions to procure compliance with relevant anti-corruption laws and policy). The proposed appointment is then reviewed by the relevant divisional President and the Group Risk Manager, and approved if found acceptable;

- (3) The General Manager of the relevant Chloride business monitors the relationship with the agent and refers compliance performance and exceptions to the Group Risk Manager.

A key element in the procedure is the requirement that decisions are justified and documented. In the event of an investigation, documentary evidence of reasonable decisions and checks will go a long way to protecting Chloride's reputation for probity and competence as well as individuals. If an employee is in any doubt about a particular appointment, he should consult his General Manager in the first instance.

The detailed procedure for appointment of agents is available from the Group Risk Manager.

BOOKS AND RECORDS

All transactions must be properly and fairly recorded. All books and records will be open to inspection by the Board of Directors, auditors, internal auditors and any other party entitled to do so. There must be no "off book" or secret accounts, and no documents may be created which do not fairly and accurately reflect the transactions to which they relate.

GIFTS, ENTERTAINMENT AND HOSPITALITY

Chloride has an existing policy restricting the receipt of gifts – see Code of Ethics. Excessive generosity in making gifts, or giving entertainment or hospitality to parties from whom business is sought can be seen as bribery, and any such item that is or could be perceived as such is prohibited. However, it is recognised that the vast majority of gifts are appropriate to the legitimate purpose of creating goodwill or building relationships and trust. Further, no immoral entertainment or hospitality may be given or received under any circumstances.

The presentation of gifts of small or sentimental value to existing business partners is very unlikely to be seen as corrupt. The same is true of entertainment or hospitality to prospective business partners which is part of normal marketing and promotional activity.

Employees must ask themselves in each case whether there is a genuine business justification for a particular gift, and whether the gift is reasonable in all the circumstances. If an employee is in any doubt about a given situation then he should consult his General Manager.

POLITICAL AND CHARITABLE DONATIONS

In some countries, political donations by companies have the same effect as bribes, in particular where the political party in question is in government or in a position to award business to the donating company. As a company, Chloride does not make political donations.

If a Chloride employee is asked for a political donation in the context of contract discussions, no such donation should be made and the matter should be reported to the relevant divisional President and the Company Secretary immediately.

Sometimes requests for bribes or political donations are disguised as requests to donate to charities. These must be avoided.

Charitable donations may not be made without reference to and approval by Chloride's Head Office HR Department. No donations should be made to unregistered charities or charities with little profile. Charities with political connections should be avoided at all times.

A record should be kept of all charitable donations, and details will be disclosed in the Group's annual accounts.

FACILITATION PAYMENTS

Facilitation payments typically involve a small payment to a minor official to allow some administrative procedure to occur more quickly or at all. These are not seen by many as being equivalent to large scale corruption and are not illegal in some countries. However, the UK legislation which applies to Chloride and

all of its employees does not exempt facilitation payments from the law on bribery and corruption. As a result, Chloride does not allow facilitation payments to be made.

It is not uncommon for some service providers to offer all customers improved service in exchange for a higher price. A payment which is routinely required of all those who seek more rapid or efficient service is not a bribe or facilitation payment and not illegal. It is allowable under this policy.

RISKS TO PERSONAL SAFETY

In the rare circumstance where Chloride personnel may face immediate risks to their personal safety, such as extortion backed by physical threats, the individual involved should take any reasonable action to remove himself from physical danger as soon as possible. Once the employee in question is able to do so, a full report should be made to the employee's line manager, the Group Risk Manager and the Company Secretary, as well as to the local authorities.

REPORTING AND "WHISTLEBLOWING"

All Chloride Group employees are required to report any breaches of this policy to the Group Risk Manager and the Company Secretary. All such reports will be investigated, in confidence as far as possible.

Chloride will support any employee or officer who makes such a report and will ensure that the report is treated appropriately. No disciplinary action may be taken against any person who makes a legitimate report, even if the suspicions reported turn out to be incorrect. Disciplinary action will be taken against any person who attempts to victimise or discriminate against a person making such a report.

Chloride operates a whistleblowing policy, and its purpose and procedure are described on the Company's intranet.
