

BERENDSEN plc

BUSINESS UNIT REQUIREMENTS ON ANTI-BRIBERY AND CORRUPTION

DECEMBER 2010

1. BACKGROUND

Our Group Ethics Policy states that all of our employees should "not accept or offer anything of value in the nature of an inducement, facilitation payment or bribe." The group has a zero tolerance of both bribery and corruption. This applies to all of the group's transactions and business dealings in each of the countries in which we operate.

In April 2011 new regulation in the UK will further strengthen the need for compliance with this policy. It will outline four categories of offence all defined in Appendix 1 which are:

1. Offering, promising or giving a bribe to another person;
2. Requesting, agreeing to receive or accepting a bribe from another person;
3. Bribing a foreign public official; and
4. A corporate offence of failing to prevent bribery.

All business units in the group should ensure that they have appropriate anti-bribery and corruption **policies** and **procedures** and that **compliance** with these is regularly monitored; our primary defence against potential prosecution would be that adequate policies and procedures are in operating as intended.

The actions required now by all business units are detailed in section 3.

2. RISK ASSESSMENT

We have considered which areas of our business are most exposed to potential bribery and corruption, and it is believed that sales and purchasing represent those of highest risk. Any contract negotiations involving agents and other intermediaries and any dealings with public officials (e.g. tax officers) would further increase this risk.

The risk of exposure is thought to increase again when the business line involved is:

- Healthcare (including Clinical Solutions);
- Hotels; or
- Sourcing businesses.

We should be particularly careful in our dealings with what are deemed to be “high risk countries for bribery”¹ including for example China, India, Indonesia, Pakistan, Russia and Vietnam.

This is though not exhaustive and local management are responsible for assessing any other business areas and countries that they consider might represent a significant risk.

3. ACTIONS REQUIRED BY ALL BUSINESS UNITS

There are a number of steps that each business unit should take in order to ensure that they have appropriate anti-bribery and corruption policies and procedures in place. These include the following:

- Ensuring that the Group Ethics Policy is made available across the whole business, an annual reminder of its importance to all employees by the Business Unit Managing Director, and regular compliance monitoring, including disciplinary procedures in the event of unethical behaviour being identified;
- Strong internal communication on anti-bribery and corruption led by the senior management team;
- A bribery and corruption risk assessment at least annually or upon changes in the structure of the business, including gaining an understanding of the background of the companies, agents and intermediaries with whom we do business, and the risk of bribery in the countries where we do or propose to do business;
- There should be documented policies and procedures, including outlining roles, responsibilities and accountability, that specifically cover the following:
 - Segregation of duties including screening of payments to third parties with regular review of authority levels;
 - Selection and appointment of suppliers and other third party service providers including independent review and approval of their terms of business;
 - Independent review and approval of terms of business with customers including any deviations from our standard terms and conditions;
 - The prevention of facilitation payments²;
 - Arrangements with agents and other intermediaries, ensuring that there are always documented contracts/agreements in place (signed by all parties) stating that bribery and facilitation payments are strictly prohibited;
 - Robust due diligence procedures for any acquisitions;

¹ Full list developed using information from the Transparency International Corruption Perceptions Index and the World Bank Governance Indicators.

² A payment made with the purpose of expediting or facilitating the performance of a routine action by a third party.

- Procedures to prevent any political donations; and
- Policies and procedures for any political lobbying activities and charitable donations; and
- Policies and procedures on gifts, hospitality and reimbursed expenses (see the requirements outlined in Appendix 2); and
- A tailored training programme for all relevant³ staff, focusing as required on the significant areas identified in the risk assessment, and which is regularly refreshed to include any new employees, new business areas and new geographies.

To complement these policies and procedures each business unit should ensure that the Group Whistleblowing system remains in force and that all employees are aware of its existence.

To support our business units high-level training material has been prepared that incorporates the requirements of this policy.

4. INCIDENT REPORTING AND CERTIFICATIONS OF COMPLIANCE

We have already established incident reporting procedures, which cover a number of areas, including any actual or suspected instances of fraud. These reporting procedures should now be extended to include any known instances of actual or suspected bribery or corruption. An updated Fraud/Bribery/Corruption Incident Reporting Form is attached in Appendix 3.

We currently report any instances of fraud to the Audit Committee in February and August each year. This will be extended to include any instances of bribery and corruption.

As a consequence, at the end of January and July each year we will require each Managing Director to confirm that appropriate anti-corruption, bribery and fraud policies and procedures are in place, applied and enforced.

In February 2011 all business units will be requested to outline the steps they have taken and intend to take to establish appropriate anti-bribery and corruption policies and procedures. All business units will be expected to have these policies and procedures fully embedded within their organisation by 31 March 2011.

³ To include as a minimum the management team, sales and purchasing teams, those with any significant budget for external expenditure and those in a position of influence.

APPENDIX 1

DEFINITIONS OF FOUR CATEGORIES OF OFFENCE UNDER UK BRIBERY ACT APRIL 2011

1. Offering, promising or giving a bribe to another person

This involves the incentivisation of another person to perform improperly a relevant function or activity, or to reward them for improper performance. It does not matter whether the person to whom the bribe is offered or given, is the same person who is to perform the function.

2. Requesting, agreeing to receive or accepting a bribe from another person

It does not matter whether the recipient of the bribe requests it directly or receives it through a third party, or whether it is for the recipient's benefit or not. In some cases it may not be necessary for the recipient to know or believe that the performance of the function or activity is improper.

3. Bribing a foreign public official

This covers the offering, promising or giving of bribes. The person giving the bribe must intend to influence the public official in the performance of his or her duties and must intend to obtain a business advantage.

The definition of "**public official**" will catch an individual who is not part of government and includes anyone who holds a legislative, administrative or judicial position, anyone who performs a public function or is an official of a public international organisation.

4. Corporate offence of failing to prevent bribery

We would commit this offence if an "associated person" performing services on our behalf bribes another person in order to obtain or retain for us either business or a business advantage. The only defence available to us would be providing that we had "**adequate**" procedures in place designed to prevent bribery from being committed by those performing services on our behalf.

Recent draft guidance issued does not address what will be "adequate" in any particular instance. It indicates types of anti-corruption procedures that could be implemented but does not state how far these need to go. Businesses will need to make their own judgements about what policies and procedures are right for them. The final version of this guidance is expected to be published in early 2011.

The definition of an "associated person" is wide enough to include our employees, agents, intermediaries and introducers. This is likely to include all of these at our overseas subsidiaries.

Prosecutors would be likely to argue strongly against any defence that an individual was acting only on behalf of one of our overseas business units, and not on behalf of Berendsen.

APPENDIX 2

POLICY ON GIFTS, HOSPITALITY AND REIMBURSED EXPENSES

The giving or receiving of gifts or hospitality (whether directly or indirectly) that might influence or be considered to influence any contractual or significant business transaction are strictly prohibited.

Gifts, hospitality and reimbursed expenses (all defined in Appendix 4) present potentially significant risks relating to bribery. Corrupt third parties may use these to influence us or in turn might be used by us to forge favourable relationships with third parties including customers or suppliers.

As a responsible organisation we should consider the degree of experience and local knowledge that our people have, so that they are provided with the right level of support to manage situations in which gifts, hospitality and expenses are given or received.

We should though recognise that reasonable and proportionate expenditure which seeks to improve our commercial image, improve the presentation of our products or services, or to establish cordial relations with third parties, is an established and important part of doing business.

There are a number of minimum procedures that all business units should ensure are now implemented:

Policy communication

This policy should be communicated to all relevant⁴ existing employees and included in the induction material for all relevant¹ new employees.

Outlined in Appendix 5 are a number of criteria that should be applied to test if gifts, hospitality and/or reimbursed expenses are reasonable. These also should be communicated to relevant employees¹.

All reimbursed expenses should be approved prior to payment regardless of their value.

Gifts, hospitality and reimbursed expenses register

Gifts, hospitality and reimbursed expenses given and received should be fully documented in a register. Small items such as having a coffee, a light sandwich lunch or a quick drink need not be included. Items such as an expensive lunch or dinner at a top restaurant, an invitation to a high profile sporting or entertainment event, expensive gifts and most certainly anything that involves either party's family should definitely be included. Information to be documented should include the following:

- Date;
- Name(s) of employee(s);
- Name(s) of third party(ies);

⁴ To include as a minimum the management team, sales and purchasing teams, those with any significant budget for external expenditure and those in a position of influence.

- Description of event;
- Reason;
- Value of expenditure or invitation if known; and
- By who approved.

The register should be regularly reviewed by the Finance Director or Chief Executive/Managing Director who should look closely at the circumstances around the following:

- Those involving high profile events;
- Any that appear excessive;
- Those during or just prior to contract negotiations with customers or suppliers;
- Those recurring on a regular basis; and those
- Involving any public official.

FRAUD/BRIBERY/CORRUPTION INCIDENT REPORTING FORM

<i>Business Unit:</i>	<i>Location:</i>	<i>Date incident discovered:</i>
<i>Form completed by:</i>	<i>Telephone:</i>	<i>Email Address:</i>
<i>Description of incident and date/period when/over which carried out:</i>		
<i>Business area where incident has occurred:</i>		
<i>Number of individuals involved in incident:</i>		
<i>Initial estimate of loss:</i>		
<i>How was the incident discovered:</i>		
<i>Current status of any disciplinary proceedings:</i>		
<i>Current status of any internal investigations:</i>		
<i>Details of any internal control weaknesses identified following discovery/investigation of the incident and actions taken/to be taken to improve procedures:</i>		
<i>Have the police or any regulatory body been informed? If yes provide details.</i>		
<i>Are the media aware? If yes provide details.</i>		
<i>Further Comments by BU MD and/or RMD (Name/Date):</i>		

APPENDIX 4

DEFINITIONS OF GIFTS, HOSPITALITY AND REIMBURSED EXPENSES

Gifts

Gifts include money, goods, services or loans given at any time, ostensibly as a mark of friendship or appreciation. They have no role in business other than making or improving relations.

Hospitality

Hospitality includes entertaining, meals, tickets to or participation in social or sporting events, designed to initiate or develop a relationship. It might occur, before or during the course of a transaction/deal. The host should be there otherwise it will be perceived as a gift.

Reimbursed expenses

Expenses are the reimbursement or provision by us of travel or other costs that are incurred by a prospective customer, supplier or other business partner, that are not typically referred to in any contractual agreement. If excessive or they are extended to family and/or friends this may result in compromising situations.

REASONABLENESS TEST FOR GIFTS, HOSPITALITY AND/OR REIMBURSED EXPENSES

The table below is designed to assist with testing whether gifts, hospitality and/or reimbursed expenses are reasonable.

Question	Yes	No	Comment/Not Applicable
As the recipient you are placed in a position where you think that you should respond favourably.			
As the giver you are expecting more value than the recipient.			
The size of the gift is excessive.			
The gift or hospitality is not normal and typical of local custom and the industry.			
It is not made openly.			
It is illegal.			
Reimbursed expenses are not for a genuine business reason.			
You would be concerned if you read about it in the newspapers.			

If any of the above questions are answered "yes" then you should consult your line manager.