

Policy Objective

This Policy aims to help prevent bribery and corruption and to set out our stance to associated persons working with or on behalf of PHP.

We are committed to upholding the highest standards of ethical conduct and operating our business with honesty and integrity. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption. We expect the same both of our colleagues and any third-party organisations who work with us.

The purpose of this policy is to:

- (a) set out our responsibilities, and the responsibilities of those working for and on our behalf, in observing and upholding our position on bribery and corruption; and
- (b) provide information and guidance to those working for and on our behalf on how to recognise and deal with bribery and corruption issues.

Any employee or other person acting on behalf of PHP found violating this policy would be subject to disciplinary action. This may include termination of their contractual relationship.

Who does this policy apply to?

This Policy applies to everyone who works for PHP, any group company or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.

Our commitment

As a Company, we commit to:

- Setting out a clear anti-bribery policy and keeping it up to date
- Taking any allegations of bribery seriously and rigorously investigating them
- Including appropriate clauses in contracts to prevent bribery
- Taking firm and immediate action against any individual(s) involved in bribery
- Providing a clear channel of communication for any person to report a suspicion of bribery

We expect our employees and partners to be vigilant at all times and to report any suspicions of bribery that they may have immediately.

What is Bribery and corruption?

Bribery is a form of corruption and fraud. Bribery is defined as offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage. It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine and employers that fail to prevent bribery can face an unlimited fine, exclusion from tendering for public contracts, and damage to their reputation.

Examples:

Offering a bribe: You offer a potential client tickets/hospitality to a major sporting event, but only if they agree to do business with PHP.

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

Receiving a bribe: A supplier gives your nephew a job but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue 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 the business to pay an additional "facilitation" payment to a foreign official to speed up an administrative process, such as clearing our goods through customs.

The offence of bribing a foreign public official is committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

Associated Persons

PHP employees or third parties working on behalf of PHP can commit the offences. Third parties may include agents, intermediaries, facilitators, brokers, partners, consultants, contractors, advisors and other representatives performing services or duties for or on behalf of PHP. We make third parties aware of this commitment and expect them to uphold the same high standards.

Facilitation payments

Facilitation payments, also known as "back-handers" or "grease payments", are unofficial payments made (for example to public officials) in order to secure or expedite a particular action or process. They are illegal and will not be tolerated by the Company.

You must avoid any activity that might lead to a facilitation payment or kickback being made or accepted by us or on our behalf, or that might suggest that such a payment will be made or accepted. If you are asked to make a payment on our 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 your line manager or the Chief Executive Officer.

What you must not do

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 a business advantage will be received, or to reward a business advantage already given;
- (b) give or accept a gift or hospitality during any commercial negotiations or tender process, if this could be perceived as intended or likely to influence the outcome;

- (c) accept a payment, gift or hospitality from a third party that you know or suspect is offered with the expectation that it will provide a business advantage for them or anyone else in return;
- (d) offer or accept a gift to or from government officials or representatives, or politicians or political parties, without the prior approval of your line manager or the Chief Executive Officer;
- (e) threaten or retaliate against another individual who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any other activity that might lead to a breach of this policy.

Hospitality

This policy allows reasonable and appropriate hospitality or entertainment given to or received from third parties in the normal course of business (e.g. for establishing or maintaining good business relationships or improving or maintaining our image or reputation) and which is not offered or accepted under the guise of securing a commercial or personal advantage.

For example, the giving and accepting of gifts is allowed if the following requirements are met:

- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- (b) it is given in our name, not in your name;
- (c) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (d) it is appropriate in the circumstances, taking account of the reason for the gift, its timing and value. For example, in the UK it is customary for small gifts to be given and received at Christmas;
- (e) it is given openly, not secretly; and
- (f) the monetary value of hospitality offered or received is not more than the upper-level set by the Board, currently £1,000.

Promotional gifts of low value such as branded stationery to or from existing customers, suppliers and/or business partners will usually be acceptable.

Donations

We do not make contributions or donations to political parties for overtly political purposes but do make charitable donations. All charitable donations must be made as part of the Community Impact Program which includes provision for donations to sponsor events carried out by business partners and contacts.

What employees must do

Employees must ensure that they read, understand and comply with this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. You are required to avoid any activity that might lead to, or suggest, a breach of this policy.

Training

Training on this policy forms part of the induction process for all individuals who work for us, and regular training will be provided as necessary. Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

Reporting a concern

Persons reporting an incident or suspicion can rest assured that any concerns reported will be taken seriously and treated sensitively. If a report is made or a concern is raised, we will act as soon as possible to evaluate the situation.

If you have concerns about any issue or suspect misconduct, then you have a duty to report it as soon as possible. Please report in the first instance to the Company Secretary & Chief Legal Officer or if you prefer through one of the other contacts set out in our *Whistleblowing Policy*. Concerns can be raised anonymously if preferred.

If you're unsure whether a matter constitutes bribery or corruption then first speak with your line manager. If you feel unable to raise the matter with your line manager, get in touch with the Company Secretary & Chief Legal Officer.

It is not always easy to spot bribery and corruption. To help you decide whether to report any concerns, consider the following questions:

- **Intention.** What is the underlying intention of what is being offered? Is it to improve a business relationship, or is it designed to induce impropriety?
- **Value.** What is the value of what is being offered? Is it modest, or extravagant?
- **Timing.** Is this a sensitive time for the relationship? Is there a tender? Is there a dispute?
- **The law test.** Is it legal and in line with our policies and corporate values?
- **The conscience test.** Does it fit with my personal values?
- **The news test.** Would I feel comfortable if the story appeared in the news?

You may also find the following list of possible red flags useful. The list is not exhaustive and is for illustrative purposes only:

- (a) you become aware that a third party engages in, or has been accused of, 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 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 demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (f) a third party requests that you provide employment or some other advantage to a friend or relative;
- (g) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (h) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (i) you are offered an unusually generous gift or offered lavish hospitality by a third-party.

Mark Davies

Chief Executive Officer

Primary Health Properties PLC