

Christie Group Anti-Bribery & Corruption Policy

Foreword

This policy sets out the general rules and principles to which we adhere. It will be communicated to all businesses, workers and employees overseen by the Christie Group Board, as well as relevant business partners and other necessary individuals and entities. Those who work in areas within our business identified as being particularly high risk will receive additional training and support in identifying and preventing corrupt activities.

This policy explains the procedures through which the Christie Group can maintain its 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 worker or employee of the Christie Group, you are required to read and understand all aspects of this policy, and abide by it
- Local Management – Each business unit's overall compliance with the requirements of this policy is the responsibility of the Location/Department Managers, Agency Managers and VS Managers, who will ensure their business unit's adherence to sections 6, 7 and 8 of this policy.
- Country & Sector Management – Country & Sector Managers are responsible for the compliance of business units within their country / sector.
- Christie Group Board – The Board will assist each business unit with continuous refreshing and reinforcing of this policy via application guidance and monitoring

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1. Introduction

It is the Christie Group's policy to conduct business in an honest way, and without the use of corrupt practices or acts of bribery to obtain an unfair advantage.

The Christie Group organisation is committed to ensuring adherence to the highest legal and ethical standards. This must be reflected in every aspect of the way in which we operate. We must bring integrity to all our dealings. 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 the Christie Group operates, and corrupt acts expose the Company and its employees/workers to the risk of prosecution, fines and imprisonment, as well as endangering the Company's reputation.

This policy has been adopted by the Christie Group main Board and is to be communicated to everyone involved in our businesses 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/workers or by business partners working on our behalf. Any breach of this policy will be regarded as a serious matter by the Company and is likely to result in disciplinary action.

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 public office or power for private gain; or misuse of private power in relation to business outside the realm of government.

Acts of bribery or corruption are designed to influence the individual in the performance of their duty and incline them to act dishonestly. For the purposes of this policy, whether the payee or 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 licences, 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 the:

- 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, worker, officer or director
- Any person acting on behalf of the Company (eg our business partners)
- 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-owned/majority-controlled organisation
- An employee of a public international organisation (eg World Bank)

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

Bribery is a criminal offence in most countries in which the Christie Group 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, 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 the Christie Group, 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. Local/Department Management must assess the vulnerability of each business unit to these risks on an on-going basis, subject to review by the Managing Directors, the Christie Group Compliance Officer and the Chief Financial Officer.

N.B. risk assessment is intended to be an on-going process with continuous communication between Local/Department Management and the Christie Group Compliance Officer.

6.2 Accurate Books and Record-Keeping

Many serious global 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 Christie Group 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. False, misleading or inaccurate records of any kind could potentially damage the Christie Group.

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 on-going basis.

The Managing Directors must ensure that Location/Department Managers engage in effective risk assessment and implement the necessary steps to prevent bribery and corruption. As these steps will vary by geography and business unit, Location/Department Managers should consult with the Christie Group Compliance Officer, who 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 Where we could be targeted for a bribe

a) **Failing to ask for fees**, offering unauthorised fee discounts

Mitigation:

- IBIS provides reports of instructions without the appropriate fees, which are scanned regularly by Management for abnormalities
- (Venners) Job costings would ultimately uncover any such practises not known to other officers of the company
- (Pinders) Fees are either set or reviewed by Head Office staff. All quotes are logged into the system and are reviewed on a monthly basis. Additionally, the principal lenders in the market use either fixed fee regimes or “low fee” alert thresholds.

b) **Failing to invoice or process fees**, accepting (and not declaring) cash for client fees

Mitigation:

- Management compares IBIS instructions details with Sales Ledger reports to ensure that client fees are invoiced in a timely and appropriate manner

c) **Failing to select and recommend the best available bid**

Mitigation:

- Management checks all new deals accepted to ensure that they represent indeed the best offers available
- (Pinders) Agency instructions are subject to peer review, prior to the reporting and acceptance of any offer.

d) **Failing to provide opportunities for under-bidders** to improve their offers, or to elicit more / more competitive offers

Mitigation:

- Formalised bidding process enforced for major instructions
- Management reviews of major instructions / deals

e) **Artificially over / undervaluing** an asset, including over / underestimating building defects

Mitigation:

- Cross-checks by Senior Consultants and peer reviews are designed to ensure a fair valuation of an asset
- (Pinders) All reports are signed off by a Director following a review and the Managing Director undertakes random case reviews. Additionally, the system records and report amendments following client feedback, and all inspections are allocated by Head Office staff to avoid the development of inappropriate relationships

f) **Falsification of results / cash at site / valuations** including the deliberate use of false cost prices (Venners)

Mitigation:

- IT systems log all actions and trace all alterations
- All cash has to be listed in Operations reports and cash records are reconciled with Head Office banking

g) **Results deliberately not sent to Head Office** (Venners)

Mitigation:

- IT personnel collectively direct the flow of result e-mails and would trace the discrepancy when a customer asks for their missing results

h) **Failing to give a fair / unbiased response** to a consultancy request

Mitigation:

- Consultants/surveyors are bound by the RICS Code of Practice, giving a certain amount of assurance
- (Pinders) When acting in the capacity of an Expert Witness or Independent Expert, the fee is never contingent upon the outcome of the findings and as a rule it is collected in advance of undertaking an inspection. Additionally, findings are subject to peer review, prior to issue

i) **Disclosing commercially sensitive / company confidential information** to third parties

Mitigation:

- Lock-down of systems, including inability to print or copy more than a screen's worth of information
- Tracing mechanisms for printing, copying and email

j) **Selecting /recommending a lesser offer** from a supplier/service provider

Mitigation:

- Formal tendering process used for major purchases, involves a minimum of three alternatives and requires Board approval
- (Vennersys) There is a list of preferred suppliers which can only be changed with the approval of the Managing Director and Finance Director

k) **Receiving inducements in order to withdraw or cause the company to be excluded** from a bid (Vennersys)

Mitigation:

- All opportunities are registered and progress reported on a monthly basis at Management and Board level

l) **Receiving inducements in order to route business through a third party** at an inflated price (Vennersys)

Mitigation:

- All new customers are required to sign an Agreement detailing the services and products to be supplied and their prices, including third party contracts such as EFT provision which have an associated end user agreement

m) **Receiving inducements to influence staff selection**

Mitigation:

- Formal recruitment process prohibits such influence

n) **Receiving inducements to influence work allocation** (Venners, Pinders)

Mitigation:

- (Venners) The network of work planners and the ultimate involvement of the Work Planning Manager and other senior personnel prohibits this
- (Pinders) All inspections are allocated by Head Office staff to avoid the development of inappropriate relationships

7.2 Where we could perpetrate a bribe

a) Attempt to gain clients through **unfair means**

Mitigation:

- Formalise our Hospitality Policy and ensure that hospitality offered is commensurate with keeping good relations and cannot be misconstrued as a bribery attempt
- Expense claims procedures prohibit the sanction of unauthorised payments
- (Venners) Job costings would ultimately uncover any such practises not known to other officers of the company
- (Pinders) Valuation Panels are structured in a way that prohibits payment of inducements to influence an appointment
- **Improvement:** (Christie Insurance) For Introducers outside the Group, due diligence should be enhanced to include criminal records checking, financial standing checks and politically exposed persons (PEP) checking.

b) **Elicit commercially sensitive information** unfairly

Mitigation:

- Formal vetting and recruitment procedures, also involving senior management & Group management approval for senior posts. Where appropriate (for example in Christie Insurance) this includes criminal records checks and checks on candidates' financial position in order to assess the risk of staff being or becoming susceptible to receiving unfair inducements or becoming involved in financial crime.
- Expense claims procedures prohibit the sanction of unauthorised payments
- **Improvement:** We should consider use of the CIFAS Staff Fraud Database.

c) **Attempt to obtain preferential treatment** from suppliers or service providers

Mitigation:

- Supplier selection is formal, involves a minimum of three alternatives and requires Board approval
- Expense claims procedures prohibit the sanction of unauthorised payments

d) **Attempt to obtain regulatory advantage** from public or government officials

Mitigation:

- Details of all contact with / petitions to public or government officials should be undertaken with the involvement of Line Management and reported to the Board
- Expense claims procedures prohibit the sanction of unauthorised payments

7.3 Use of Business Partners

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

Risk can be identified where a business partner conducts activities on Christie Group's behalf, so that the result of their actions can be seen as benefiting the Group. Business partners who act on Christie Group's behalf must be advised of the existence of and operate at all times in accordance with this policy. Local and Department 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, Local or Department 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 agreement in place which acknowledges the business partner's understanding and compliance with this policy.

The Christie Group is ultimately responsible for ensuring that business partners who act on our behalf are compliant with this policy as well as any local laws. Ignorance or "turning a blind eye" is not an excuse. As the business partner evaluation process will vary by business unit and type of business partner, Local or Department Management should consult in the first instance with their Managing Director. Local and Department Management and Managing Directors should consult with the Christie Group Compliance Officer where necessary.

7.4 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 occurrence.

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** – is there 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 Christie Group's reputation and business. The action could well be unlawful. Although no two situations are the same, the following guidance should be considered globally:

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

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

Possible circumstances that are usually acceptable include:

- **Modest/occasional meals** with someone with whom we do business
- **Occasional attendance at 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 Christie Group Compliance Officer. In addition, if an example does not fall under the above categories, please in the first instance seek guidance from the Christie Group Compliance Officer. Generally, such examples would not be permissible without prior approval.

Transparency is key - Each office will be required to maintain and monitor its gifts, entertainment and hospitality register. Any form of gift, entertainment or hospitality given, received or offered, which meets or exceeds the equivalent inn value of £100 for gifts, or £250 for entertainment or hospitality (including transport) must be appropriately recorded in the register. In the event that an impermissible form of gift, entertainment or hospitality has been accepted, you must appropriately record the transaction within the register and contact the Christie Group Compliance Officer immediately. In any case, gifts of value exceeding £200 and entertainment of value exceeding £500 (including transport) should not be accepted without the prior authorisation of the Christie Group Board.

For the purposes of this Policy, multiple gifts from / to the same third party / company within any 12-month period are deemed to be equivalent to a single gift with value equal to the total of the values of those gifts and would therefore require authorisation before the above threshold can be exceeded.

7.5 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 books or materials.

Despite this, facilitation payments as defined here are against this Christie Group policy and we take the view that they 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, in the event that a facilitation payment is being extorted, 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 Christie Group Compliance Officer as soon as possible and you must record the payment appropriately within Christie Group’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 Christie Group Compliance Officer.

8. Local Adaptation

In order for this policy to be effective, it is necessary for it to be applied across the company worldwide, taking into consideration the diverse cultural environments in which we operate. This may require each business unit to adapt certain sections of this policy – such as gifts, entertainment and hospitality – to ensure they are fair, appropriate and applicable.

Location/Department and Country Managers – in conjunction with the UK and International Managing Directors – are responsible for reporting and confirming any local adaptations to this global policy with the Christie Group Compliance Officer.

9. How to Raise a Concern

As individuals who work on behalf of the Christie Group, 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. The Christie Group 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. To help, there are alternative available channels to allow you to do this.

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

In the event that an incident of bribery, corruption, or wrongdoing is reported, we will act as soon as possible to evaluate the situation. The Christie Group has clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind. If you have any questions about these procedures, please contact the Christie Group Compliance Officer.

10. Conclusion and Certification

It is the ultimate responsibility of the main board routinely to refresh and reinforce this policy and its underlying principles and guidelines. Location/Department Managers and Sector heads, under the overview of the UK & International Managing Directors, are responsible for the establishment and on-going monitoring of compliance with sections 6, 7 and 8 of this policy. All Christie Group employees, workers and relevant business partners are responsible for annual certification as to the receipt and understanding of this policy as part of our annual compliance training.

August 2011

Christie Group Gifts & Entertainment Register

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Section 1: Details of Christie Group Employee

- Name
- Title
- Location (office where based)
- Received/offered indicator (i.e. whether the employee received the gift or entertainment from a third party, or offered the gift or entertainment to a third party)

Section 2: Details of the third party (client or supplier etc) involved

- Company
- Name
- Title

Section 3: Details of the gift or entertainment received / offered

- Date (when it was received or offered)
- Description (i.e. dinner for two people, tickets for theatre, pen etc)
- Value (estimated - explain how the estimate was arrived at)
- Approval of line manager (for value greater than £500)

RULES

- The register should be used both for gifts or entertainment **received** by Christie Group employees/workers from a business contact (client, supplier etc) and for gifts / entertainment **offered** to business contacts by Christie Group employees/workers.
- Gifts of value **lower than £100** or entertainment of value **lower than £250** (including transport) do not need to be registered.
- Gifts of value greater than £100 and entertainment of value **greater than £250** (including transport) must be registered by the Christie Group employee/workers (after the event)
- If however the gift is of value **greater than £200** (or **greater than £500** for entertainment including transport) the employee/workers must first obtain his / her Line Manager's approval, before accepting or offering the gift / entertainment. This approval should be noted in the register (in section 3 above)
- If multiple gifts / entertainment (incl transport) are received/offered by/to the same individual within a period of 12 months, they must be registered once their accumulated value exceeds £100/£250 respectively.
- In summary- for gifts:
 - Value < £100 no requirement to register
 - Value > than £100 but < £200 must register after the event
 - Value > £200 must obtain approval before accepting & register after the event
- And for entertainment (including transport):
 - Value < £250 no requirement to register
 - Value > than £250 but < £500 must register after the event
 - Value > £500 must obtain approval before accepting & register after the event