
GKN WHEELS & STRUCTURES
ANTI BRIBERY AND CORRUPTION POLICY

GKN WHEELS & STRUCTURES
Policy on the avoidance of bribery and corruption

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SECTION A – MELROSE CHAIRMAN’S POLICY STATEMENT
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- 1.0** One of the fundamental principles of Melrose Industries PLC, its subsidiary businesses and pension trustee companies (**collectively referred to as the “Company”**) is to conduct all of its business in an open, honest and ethical manner. We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all business dealings and relationships, within all jurisdictions in which we operate. Bribery and corruption are seen as an “unfortunate fact of life” in some parts of the world, but in fact represent a barrier to economic and social development.

The Company’s reputation for lawful and ethical business relations is important and we require all employees and other business associates, whether employed directly or indirectly (including customers, suppliers, agents, distributors, and others working for or on behalf of the Company), to act professionally and with integrity.

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all employees across the Company; each employee is required to avoid any activity that might constitute, lead to, or suggest, bribery and/or corruption activities.

Bribery is an offence within the majority of countries around the world and penalties can be severe. Within the UK, the Bribery Act 2010 (the “Act”) makes bribery and corruption illegal; it also holds UK companies liable for failing to implement adequate procedures to prevent such acts committed by employees or other associated persons providing services to the Company. This includes, for example, agents, distributors, third parties and joint venture parties, no matter where in the world it takes place.

The US Foreign Corrupt Practices Act (“FCPA”) applies to business units in the United States as well as business units outside the United States where the activity in question has virtually any US nexus. Corrupt acts, wherever in the world they are committed (including those committed by business partners such as agents, distributors or joint venture partners), could result in legal action being taken against the Company (as well as individuals) and therefore it is important that anti bribery and corruption policies are taken seriously within the group structure. Although this policy emphasizes the Company’s compliance with the Act and the FCPA, we must take care to comply as well with any anti-corruption laws applicable to the countries in which business units do business.

Market practices vary from country to country and therefore, it may not always be easy to decide what is acceptable, particularly in relation to corporate hospitality. The Group’s anti bribery policy is not designed to prohibit the acceptance or offer of reasonable and customary gifts and hospitality. However, employees and business associates should bear in mind that transparency is fundamental to maintaining the Company’s zero tolerance position with respect to bribes and other improper payments. The key consideration to remember is that no inducements should be accepted or offered if the intention is to influence the recipient in order to gain or retain business or a business advantage.

The Company has issued a detailed anti bribery policy to ensure that key employees and business associates are fully aware of their responsibilities and the consequences for non-compliance. The

policy also provides guidance in relation to the biggest bribery and corruption risks that exist for the group and how to reduce such risks.

Any employee who is aware of possible bribery and corruption activities should disclose such details using the appropriate whistleblowing process, which is designed to ensure that employees feel comfortable about raising concerns. Further information about the disclosure process can be found within the GKN Wheels & Structures Code. A commitment has been made within the group to ensure that employees who do come forward with such information are protected to the fullest extent possible.

Christopher Miller

Chairman

Melrose Industries PLC

SECTION B - RESPONSIBILITIES

2.0 Who is covered by the policy?

- 2.1 This policy applies to all individuals working at all levels, including senior managers, officers, directors, employees (whether permanent, fixed-term, or temporary), contractors, trainees, casual workers/agency staff, volunteers, or any other person working for the Company throughout the world (collectively referred to as “**Company Associates**” for the purposes of this policy)
- 2.2 This policy also applies to any person, or any organisation, working for or performing a service for or on behalf of the Company – for example, pension trustees, consultants, lawyers, accountants, other business advisers, suppliers, agents, distributors, joint venture partners, or other persons whilst they are working for, or performing a service for or on behalf of the Company throughout the world (collectively referred to as “**External Associates**” for the purposes of this policy).
- 2.3 Company Associates and External Associates are together referred to as “**Associates**” for the purposes of this policy.
- 2.4 The policy has been approved by the Melrose Board and the executive management teams of each subsidiary business.

3.0 Employee Responsibilities

- 3.1 All Associates are responsible for ensuring they read, understand and comply with this policy.
- 3.2 All Company Associates, as determined by the General Counsel, must participate in periodic training.
- 3.3 The Company reserves the right to fully cooperate with the police or other enforcement authorities as may be necessary for the proper investigation into breaches of this policy. Legal proceedings (and/or disciplinary action in relation to the Company’s employees, which could result in dismissal for gross misconduct) may be made against any Company Associates who breach this policy, where it is deemed by the Company’s board of directors to be appropriate. The Company may also cease to continue working with Associates (acting for or on its behalf) who the Company believes to have breached this policy.

4.0 Maintenance of this policy

- 4.1 The Company’s board of directors has overall responsibility for ensuring this policy complies with all legal and ethical obligations, and that those under its control are aware of it.
- 4.2 Each business unit Managing Director of the Company is responsible for ensuring compliance with this policy within their particular subsidiary business. To manage this process, each business unit Managing Director is required to appoint a Duly Authorized Executive (DAE) to ensure day to day responsibility for implementing this policy, monitoring its effectiveness and dealing with any employee queries.
- 4.3 The annual Leadership Assurance contains a certification of compliance with this policy that all managers invited to the Leadership Assurance must complete.

SECTION C - DEFINITION AND LEGAL OBLIGATIONS

5.0 What is bribery and corruption?

- 5.1 Bribery and corruption have a range of definitions in law, but the fundamental principles apply universally.
- 5.2 Acts of bribery or corruption are designed to influence an individual in the performance of their duty and incline them to act dishonestly, improperly or in a way which they would not have done had they not been paid or promised the bribe (e.g. speeding up an otherwise legitimate process due to payment of a small bribe or “facilitation payment”). A person being bribed, or offered a bribe, will generally be someone who is able to obtain, retain, direct and influence the decision-making powers of a government, vendor, customer, or intermediary, in order to procure some form of benefit. For example, this may involve sales initiatives (such as tendering and contracting), or may simply involve the handling of administrative tasks such as licences, customs, taxes, or import/export matters.
- 5.3 Possible examples of bribery and corruption activities to look out for are listed at Appendix 1.

6.0 Legal obligations

- 6.1 Bribery is an offence within the majority of countries around the world and penalties can be severe. In the UK the Act makes bribery and corruption by companies (via their employees and associates) which operate wholly or partly in the UK, illegal, wherever in the world the bribe takes place. Corrupt acts committed abroad, including those committed by business partners (such as agents, distributors or joint venture partners) performing services for or on the behalf of the Company, could result in legal action being taken in the UK against the Company, or its Associates. The only defence available for the Company is to show that it had “adequate procedures” in place to prevent such acts. Therefore, it is essential for all Associates to follow this policy and associated procedures.

The FCPA lays down similar offences and potential penalties to those under the Act, and focuses particularly on interaction with Public Officials (which includes politicians, political parties, party officials, officials of public international organizations, state owned company employees, the judiciary etc.). FCPA enforcement can be particularly severe for companies that lack internal controls sufficient to prevent acts of corruption to occur. Thus, as in the case of compliance with the Act, compliance with the FCPA places a premium on Associate compliance with this policy.

- 6.2 The following situations are classed as a legal offence and are prohibited by this policy:
- Giving a bribe (classed as active bribery) - Direct or indirect offering, promising, authorizing, or giving a financial or other advantage or anything of value to another person with the intention of inducing that person (or a third party) to give improper assistance or advantage, or to influence acts or decisions, or to induce acts or omissions that are contrary to a person’s duties (or as a reward for so doing) in order to direct, obtain, or retain business or an advantage in the conduct of business.
 - Accepting a bribe (classed as passive bribery) - Direct or indirect requesting, agreeing to receive, or accepting a bribe in exchange for that person (or a third party) providing improper assistance or advantage (or as a reward for so doing) in order to obtain or retain business or an advantage in the conduct of business.

- Bribing of a Public Official - direct or indirect offering, promising, authorising, or giving of a financial or other advantage or anything of value to a Public Official (or third party) with the intention that the Public Official is influenced in the performance of his or her public functions or is induced to violate his or her official duties, or that the bribery will secure an improper advantage. This offence is very broad, as there is no requirement for the Public Official to act improperly or dishonestly, merely that they are influenced or intended to be influenced by the offer or payment of a bribe (including facilitation payments).
- For the purposes of this offence, the term “Public Official” is defined broadly to include: (i) officials, whether elected or appointed, who hold a legislative, administrative or judicial position of any kind; (ii) any person who performs public functions in national, local or municipal government; (iii) any person who exercises a public function for a public agency or enterprise, such as public health agencies; (iv) any official or agent of a public international organisation such as the UN or the World Bank; (v) any political candidate, political party, or political party official, or (vi) any person acting on behalf of any government, including entities such as state-owned businesses.

6.3 The Act also creates a new form of corporate liability for failing to prevent bribery by persons performing services for or on behalf of a commercial organisation, which includes employees, subsidiaries, agents and other third parties. The FCPA similarly can impose a greater penalty if it finds that a company has committed an FCPA violation and lacks effective compliance policies and procedures.

7.0 What are the potential penalties for violations of law?

7.1 Offering or receiving a bribe could have serious consequences for individual directors, Associates, or the Company and include:

- criminal sanctions including severe fines and imprisonment or civil fines;
- blacklisting of the Company (or its subsidiary businesses) from both future public and private tendering opportunities, debarment from World Bank and multilateral development bank funding;
- the possibility of the termination of certain business contracts by competitors/counterparties, loss of licenses or rights granted by the government; and
- confiscation of assets.

7.2 The Company would also suffer from serious reputational damage as a further consequence.

SECTION D - COMPANY GUIDELINES

8.0 What behaviour is not acceptable?

8.1 It is not acceptable for you (or someone else on your behalf) to directly or indirectly:

- a) give, promise to give, or offer, or authorise the giving or offering of a payment, gift, hospitality, or any advantage with the expectation or hope that an improper business advantage will be received, or to reward an improper business advantage already received. For the purpose of this policy, “any advantage” may include, amongst other things, cash, gifts, business opportunities, travel or entertainment expenses, employment opportunities, or anything else of tangible or intangible value;
- b) give, promise to give, or offer, or authorise the giving or offering of a payment, gift, or hospitality to a Public Official, agent, or representative to influence the official and/or to “facilitate” or expedite a routine procedure;
- c) accept any gift, hospitality or other advantage from a third party that you know, or suspect, has only been offered with the expectation that it will obtain a business advantage in return;
- d) threaten or retaliate against another worker who has refused to commit a bribery offence, or has raised a concern under this policy; or
- e) engage in any activity that might lead to a breach of this policy.

9.0 What do I do if I am asked for a bribe?

9.1 If you receive a request for a financial or other advantage which you believe is a bribe (including small facilitation payments), you must politely decline to make the payment, explaining that you are prohibited by this policy. You should report all such requests to the DAE or General Counsel for your business, or through the Employee Disclosure Hotline (“the hotline”) in accordance with the GKN Wheels & Structures Code. Similarly, if you are offered anything of value that you believe is a bribe, you must decline to receive anything and immediately report the offer to the DAE or General Counsel for your business or report it to the hotline in accordance with the GKN Wheels & Structures Code.

9.2 Nothing in this policy means that you should do anything which puts you or those you are with in physical danger. However, except where such danger is immediate, anything of value that is being considered to be offered in order to secure physical safety must be authorised in advance by the DAE or General Counsel of the business unit, and even in an emergency the giving of anything of value must be reported immediately after the fact to the DAE or General Counsel of the business unit.

10. Consequences of a breach of this policy

10.1 Any breach of this policy may lead to disciplinary action being taken by the Company up to and including termination of employment. Where appropriate the Company will also liaise with relevant law enforcement bodies.

SECTION E - REPORTING OF BRIBERY AND CORRUPTION
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11.0 How to raise a concern

- 11.1 All Company Associates are encouraged to raise concerns about any issue or suspicion of malpractice by a colleague or a third party (such as a customer, supplier, or agent) at the earliest possible stage. If a Company Associate believes that any part of this policy has been infringed they should inform their DAE, a member of the Legal Team, or via the employee disclosure hotline.
- 11.2 If you are unsure whether a particular act constitutes a breach of this policy in advance of any action, relevant details should be provided to your Duly Authorised Executive (DAE). Alternatively, use the employee disclosure hotline procedure as stated within the GKN Wheels & Structures Code and on the Speaking Up section of the Intranet. No action as to which there is any doubt regarding compliance may be taken without authorisation by your DAE or the relevant General Counsel.
- 11.3 Company Associates who refuse to get involved in bribery and/or corruption, or who raise concerns and report wrong doing will naturally be concerned about possible repercussions. The Company encourages openness and will support anyone who raises genuine concerns in good faith, even if they turn out to be mistaken.
- 11.4 The Company is committed to ensuring that no employee suffers any detrimental treatment as a result of refusing to take part in bribery or corruption and/or who raises concerns.

12.0 What to do if you are aware of bribery or corruption taking place?

- 12.1 It is important that Company Associates follow inform their DAE, a member of the Legal Team, or via the employee disclosure hotline as soon as possible if they are offered (or suspect that one may be offered in future) a bribe by a third party, are asked to make a bribe (or suspect that they may be expected to make one in future), or are otherwise aware of potential violations of this policy.
- 12.2 By declaring the situation quickly Company Associates will help to ensure they are excluded from possible future suspicion. It will also allow the Company to investigate such claims without delay.
- 12.3 Possible examples of bribery and corruption activities to look out for are listed at Appendix 1.

SECTION F - REDUCING THE RISKS

13.0 Bribery and corruption risk assessments

- 13.1 Each subsidiary business unit is required to carry out bribery and corruption risk assessments at least annually (which should normally be carried out at the beginning of each calendar year) in relation to each business location where they operate from, including any joint venture locations (see 13.4 below). This process is necessary to ensure that the Company is aware of high risk scenarios, in order to ensure that it can take steps to reduce such risks and to maintain effective monitoring and internal controls. Risk assessment materials to be used in the conduct of the risk assessments are available from the Melrose General Counsel.
- 13.2 Certain Company Associates may be required to take part in online anti bribery and corruption training (or any other form of training as may be necessary from time to time), to ensure they are fully aware of both their own and Company responsibilities.
- 13.3 The Company may carry out audits from time to time within each of its business units, in order to ensure adherence to the policy and to check that risk registers are being maintained correctly.
- 13.4 Joint ventures can potentially be a part of a business where bribery and corruption risks are higher. Generally, all joint ventures should be included within the annual risk assessment process but it will be the responsibility of each business unit to determine what would be reasonable in managing these risks. Factors such as the level of involvement and day to day control, purpose and shareholding percentages should all be taken into account, together with a consideration of the country the joint venture is operating from and the perceived level of risk this creates. As a minimum requirement, all senior employees associated with the joint venture should be requested to read this policy and confirm their compliance with it.
- 13.5 Each subsidiary business unit is required to undertake an anti-corruption risk assessment prior to entering a new business jurisdiction, making any significant investment, acquisition or entering into a new joint venture or business consortia. Appropriate anti-corruption due diligence should be undertaken based on the risks associated with the transaction. Anti-corruption clauses should be inserted into all relevant contracts.
- 13.6 Each subsidiary business is required to undertake an anti-corruption risk assessment before winning or doing business with government entities. Appropriate training, due diligence and contract terms must be undertaken by those interacting with Public Officials, including on adherence to relevant procurement rules. Anti-corruption clauses should be inserted into all relevant contracts.

SECTION G - TYPES OF BRIBERY AND CORRUPTION
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14.0 Where do bribery and corruption risks typically arise?

14.1 The Company and each of its subsidiary businesses have carried out various risk assessments to determine where there may be higher bribery and corruption risks to be aware of and what actions can be taken to reduce them. The key risks relate to gifts and hospitality, facilitation payments, use of third party business partners, political donations and charitable donations. Remedial actions required to reduce these risks are stated below. The principal bribery and corruption risks vary from one business to another and the remedial actions stated below may need to be adapted to the particular circumstances of each business unit. Any material deviations from the below remedial actions, however, should be approved in advance by the Melrose General Counsel.

15.0 Gifts and Hospitality

15.1 This policy does not prohibit a Company Associate from accepting or offering reasonable and appropriate gifts and hospitality in the normal course of Company business, provided it is not made with the intention of influencing the recipient in order to obtain or retain business or a business advantage and would not be perceived as such by the recipient.

The following requirements will need to be met in order to give or receive a gift or hospitality:

- a) it is not made with the intention of influencing the recipient in order to obtain or retain business or a business advantage;
- b) it complies with local laws (for both the person giving and receiving the gift/hospitality);
- c) it is given in the name of a company, rather than an individual;
- d) it does not include cash, or cash equivalent (such as vouchers etc.);
- e) it is appropriate in the circumstances;
- f) taking into account the reason for the gift/hospitality, it is of an appropriate type and value and has been given or accepted at an appropriate time;
- g) an employee of the Company or relevant business unit is present at all hospitality events.
- h) it is given openly, not secretly; and
- i) it is promptly and accurately recorded in the Company's books and records.

The timing of any gift or hospitality should be considered, and should be avoided immediately prior to, during or after contract negotiations or tenders.

15.2 Dealings with Public Officials are viewed as particularly high-risk from an anti-bribery law compliance standpoint. Therefore, gifts or hospitality in relation to Company business should not be offered to, or accepted from, Public Officials, as defined above.

15.3 The Company understands that the practice of giving and receiving business gifts and hospitality varies between countries and regions, and what might be considered normal and acceptable in one region may not be in another. The test to be applied is whether, taking into account all circumstances, the gift or hospitality is reasonable and justifiable and the intention behind the gift should always be considered before being offered or accepted. Transparency is the key.

15.4 Reimbursement for travel, accommodation or personal expenses for third parties (including customers) should be reasonable, proportionate and directly related to the explanation,

demonstration, or promotion of products or services. All payments should be made direct to the vendors (i.e. the airline, travel agent and/or hotel). Cash or daily allowances may not be provided.

- 15.5 Company Associates should ensure they accurately record details of all material gifts and hospitality given or received in relation to the business of the Company, via the Corporate Hospitality Register.
- 15.6 Business-related gifts with a value of less than GBP 50 (or local currency equivalent) and entertainment or hospitality with a value of less than GBP 250 (or local currency equivalent) may be offered or accepted without the prior approval of the employee's line manager, subject to the principles in 15.1 and 15.2. These gifts and entertainment do not need to be recorded in the Corporate Hospitality Register. However it is important to remember that small, regular gifts or hospitality given to or received from the same contact does need to be recorded in the Corporate Hospitality Register by the Associate if the overall value does exceed these limits over the course of a calendar year.

Business-related gifts with a value between GBP 50 and GBP 250 (or local currency equivalent) and entertainment or hospitality with a value between GBP 250 and GBP 500 (or appropriate local currency equivalent) must not be offered or accepted without the prior approval of the employee's line manager and need to be recorded in the Corporate Hospitality Register by the Associate.

Business gifts and entertainment or hospitality in excess of GBP 250 and GBP 500, respectively, must not be offered or accepted without the prior written approval of the DAE of the applicable company and need to be recorded in the Corporate Hospitality Register by the Associate.

Examples:

- a) A long standing supplier or business adviser invites you for a reasonably priced meal (under GBP 50 per head) following a meeting in their London office; they do not offer to pay for your travel costs or any hotel accommodation - There is no requirement to add this to the gifts and hospitality register as it would reasonably be classed as part of normal business. However, if this were to take place on a very frequent basis, a record should be made within the register as the total value of the meal over the course of 12 months could be classed as material.
- b) A long standing supplier or business adviser invites you to the final of a major sporting event, which includes an expensive meal at a local restaurant before the game and further hospitality during and after the event. This hospitality would have cost over GBP 250 per head and should therefore be disclosed on the register. Whilst this policy does allow for such hospitality to be accepted, caution would need to be applied and consideration should be given to the circumstances. For example, if the invite was from a potential supplier or an existing supplier who knew you were currently running a tender process in relation to the products/services they currently provide, it would be prudent to decline the invite but still record the circumstances on the Corporate Hospitality Register to ensure transparency.

15.7 As a general rule and where possible, any gifts received by Company Associates that fall within the requirements listed in 15.1 above should be shared amongst work colleagues. For example, if a crate of expensive wine is received from a supplier it should be noted on the gifts and hospitality register, and then placed into a "gifts pool", rather than being consumed by the individual concerned.

16.0 Facilitation Payments

16.1 Facilitation payments are relatively small, unofficial payments made to secure or expedite a routine government action by a Public Official (such as speeding up imports or exports through customs).

16.2 Facilitation payments are a form of bribery and are illegal in most countries in the world. Facilitation payments are accordingly prohibited by the Company and this policy. All Company Associates are expected to adhere to this policy at all times.

16.3 All Company Associates must avoid any activity that might lead to, or suggest that a facilitation payment will be made, or accepted.

16.4 Any Company Associate who is unsure as to whether certain payments would be classed as facilitation payments should contact their relevant DAE prior to making the payment.

17.0 Use of Business Partners

17.1 The definition of a business partner is broad and in the case of the Company would include agents, distributors, joint venture partners and any other companies or individuals that may provide services on its behalf. Whilst such relationships can be advantageous they also increase the risk of bribery and corruption to the Company as the Company may be held legally responsible for the actions of such third parties.

17.2 The relationship with all business partners should be recorded in writing, within a suitable legal agreement, such as an agency or distribution agreement, which, amongst other things, highlights the

relevant anti bribery and corruption responsibilities. There is additional guidance available on the Anti Bribery and Corruption intranet page on dealing with suppliers, as well as specific guidance on dealing with sales agents and consultants.

17.3 When identifying new business partners, a risk-based due diligence/vetting process should be used that includes an evaluation of their background, experience and reputation. Consideration should also be given to understanding the services to be provided by the business partner, methods of compensation/payment and the rationale behind the decision to engage them. Future transactions should be audited to ensure ongoing compliance. Details of our requirements in this area are available on the Anti-Bribery and Corruption intranet site.

17.4 The Company is ultimately responsible for ensuring that business partners who act on behalf of, or provide a service to the Company act in accordance with this policy. However, it is the responsibility of senior management in each subsidiary business of the Company to ensure the procedures stated in this policy and the accompanying GKN-specific policies available on the Anti-Bribery and Corruption intranet site are maintained within their relevant organisations and to highlight any concerns to the Secretary or General Counsel of the Company in a timely manner.

18.0 Political Donations

18.1 No political donations should be offered to any individuals or organisations on behalf of the Company.

18.2 Company Associates should ensure they do not engage in any political lobbying on behalf of the Company.

19.0 Charitable Donations and Sponsorship

19.1 Charitable contributions and/or sponsorship may not be used to confer a personal benefit on a Public Official or business contact, and must not be made in order to seek an improper benefit or to influence a Public Official. It is therefore important to ensure that all charitable donations and sponsorship is legitimate and made to a properly established charity and for a valid charitable purpose. Due diligence on the charity (confirming its trustees and registration details) must be undertaken. Charitable donations and sponsorship of events associated with Public Officials, customers and/or their family members should be avoided. If due diligence reveals such a connection prior authorisation should be sought from the General Counsel for your business before making any donation or sponsorship payment on behalf of the company.

19.2 Subject to the completion of relevant due diligence checks and General Counsel authorisation if needed pursuant to Section 19.1, one off charitable donations under the value of £5,000 can be authorised at subsidiary business level (subject to usual business reporting procedures that may be in place from time-to-time, e.g. such as laid down in the Delegation of Authority). Any charitable donations made above this value will require the prior written approval of the Melrose General Counsel.

19.3 Company Associates should ensure they accurately record details of all donations. At the end of each calendar year all reporting units must report the value and nature of all charitable donations and sponsorships made during the previous twelve months to the General Counsel and the Corporate Communications Manager.

20.0 Conflicts of Interest

- 20.1 Company Associates are required to declare any positions of responsibility, shareholdings or other interests in any related party entity on an annual basis. For the purpose of this policy a related party means any partnership, company or individual (or relative) which does business with the Company or any business unit.
- 20.2 In addition the Conflicts of Interest Additional Guidance for Wheels & Structures employees, which is attached as Appendix 2, applies to all Associates.

21.0 Recruitment and hiring decisions

- 21.1 No individual may be offered a paid or unpaid position or promotion at the request or recommendation of a customer or Public Official, other than by way of the Company's normal hiring processes.
- 21.2 Recruitment and promotion decisions must be made in accordance with the following principles:
- Company Associates should not be appointed to a key/senior position if the integrity and ethical conduct of that Company Associate has been the subject of a substantiated allegation or a breach of this Policy;
 - each business will conduct anti-corruption due diligence on candidates for management and/or positions at higher risk of corruption (such as finance, sales and marketing, procurement etc.).

SECTION H - HOUSEKEEPING RESPONSIBILITIES
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22.0 Record Keeping

22.1 The Company and its Company Associates should ensure that:

- accurate financial records are kept and that adequate internal controls are in place to evidence business justifications for payments to third parties;
- an accurate record is kept of all hospitality/gifts accepted or offered (to be maintained by the General Counsel). All gifts and hospitality given or received over the values mentioned above and in the Corporate Hospitality Policy must be entered into the electronic Corporate Hospitality Register. Where an authorisation is required the system will route the request to the appropriate manager or DAE.

It is the requester's responsibility to ensure that authorisation is recorded on the system before the hospitality is given or received. Melrose Industries will require copies of these records from each GKN business on a yearly basis (or more frequently as may be deemed necessary by the group) in order to carry out random audits as may be deemed necessary from time to time;

- all expense claims relating to hospitality, gifts and/or expenses incurred with third parties are submitted in accordance with the Company expenses policy and ensure that such claims clearly record the reason for the expense;
- accurate records are kept by the Company of all risk assessments carried out in relation to anti bribery and corruption, together with any other relevant information;
- accurate records of all contracts which contain a right of audit over the Company, including details of the circumstances in which the right will be triggered (e.g. periodically or on the basis of an allegation). Any request for audit by a third party must be notified to the General Counsel for your business;
- accurate records of all conflict of interest declarations made by senior management.

APPENDIX 1 – PRACTICAL EXAMPLES OF WHEN TO REPORT POSSIBLE BRIBERY AND CORRUPTION ACTIVITIES

The below list has been added to this policy in order to provide some practical examples of when you should be expected to report concerns you may have in relation to bribery and corruption matters. This list is not exhaustive (and in case of doubt you should raise the matter with the DAE or General Counsel of your business):

- you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- 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 foreign Public Officials;
- 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, or requests a substantial "success fee";
- 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;
- a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service – e.g. to move the company's goods through customs quickly;
- a third party does not appear to have any relevant expertise or experience to perform the services required;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third party requests that a payment is made to "overlook" potential legal violations;
- a third party requests that you provide employment or some other advantage to a friend or relative (such as the payment of school fees);
- you receive an invoice from a third party that appears to be non-standard or customised, or requires payment to an individual or entity not named in the contract;
- a third party insists on the use of side letters or refuses to put terms agreed in writing;
- a third party refuses to agree to sign up to the Company's anti-corruption undertakings;
- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided, or large in comparison to the market rates;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- you are offered an unusually generous gift or offered lavish hospitality by a third party.