
SEPRO GROUP ANTI-CORRUPTION POLICY
OCTOBER 2012

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SECTION 1. POLICY STATEMENT

- 1.1. This is the anti-corruption and bribery policy of Falcon Concentrators Ltd. and all of its direct and indirect subsidiaries: what we typically call the Sepro Group. In this policy Falcon and its subsidiaries are referred to as Group companies.
- 1.2. It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption. We are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate, and to implementing and enforcing effective systems to counter bribery.
- 1.3. We will obey and uphold all laws relevant to countering bribery and corruption in all jurisdictions in which we operate. In particular we are bound from time to time by the laws of Canada, the USA and the UK, in respect of our conduct both in our home countries and abroad.
- 1.4. The purpose of this policy is to:
 - 1.4.1. set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
 - 1.4.2. provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.5. This, our first policy, refers primarily to the laws of England and Wales, which are strictest in relation to bribery and corruption. It is our expectation that by complying with the laws of England and Wales we will meet the legal requirements of all other jurisdictions in which we operate.
- 1.6. Bribery and corruption are punishable for individuals by up to ten years' imprisonment. Companies found to have taken part in corruption could face unlimited fines, be excluded from tendering for public contracts and face damage to reputation. We therefore take our legal responsibilities very seriously.
- 1.7. In this policy, third party means any individual or organisation you come into contact with during the course of your work for us. This includes actual and potential clients, customers, suppliers, distributors, business contacts, agents, advisers, and government and public bodies, including their advisors, representatives and officials, politicians and political parties.

SECTION 2. WHO IS COVERED BY THE POLICY?

- 2.1. This policy applies to all individuals working within the Sepro Group, wherever located, including managers, officers, directors, employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, seconded staff, home workers, casual workers and agency staff, volunteers, interns, agents, sponsors, or any other person associated with us (collectively referred to as workers in this policy).

SECTION 3. WHAT IS BRIBERY?

- 3.1. A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples:

- 3.2. Offering a bribe

You offer a potential client tickets to a major sporting event, but only if they agree to do business with us. 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.

- 3.3. 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.

- 3.4. Bribing a foreign official

You arrange for the business to pay an additional 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 has been 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.

Other "red flags" that may indicate bribery or corruption are described in Schedule 2

SECTION 4. GIFTS AND HOSPITALITY

- 4.1. This policy does not prohibit normal and appropriate gifts and hospitality (given and received) to or from third parties. The practices of business gifts and hospitality varies between countries and regions. What may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.
- 4.2. The following requirements must be met:
 - 4.2.1. 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;
 - 4.2.2. it complies with local law;
 - 4.2.3. it is given in the company's name, not the individual's name;
 - 4.2.4. it does not include cash or a cash equivalent (such as gift certificates or vouchers);
 - 4.2.5. it is appropriate in the circumstances. For example, in Canada, the US and the UK it is customary for small gifts to be given at Christmas time;
 - 4.2.6. taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
 - 4.2.7. it is given openly, not secretly; and
 - 4.2.8. gifts should not be offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of the compliance officer.

SECTION 5. WHAT IS NOT ACCEPTABLE?

It is not acceptable for you (or someone on your behalf) to:

- 5.1. 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;
- 5.2. give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure;
- 5.3. accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;
- 5.4. accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- 5.5. threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- 5.6. engage in any activity that might lead to a breach of this policy.

SECTION 6. FACILITATION PAYMENTS AND KICKBACKS

- 6.1. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in Canada, the US nor the UK, but may be common in some other jurisdictions in which we operate.
- 6.2. 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 manager or the compliance officer.
- 6.3. Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

SECTION 7. DONATIONS

- 7.1. We may make contributions to political parties but these are never made in an attempt to influence any decision or gain a business advantage and are always publicly disclosed. We only make charitable donations that are legal and ethical under local laws and practices. No donation must be offered or made without the prior approval of the compliance officer.

SECTION 8. YOUR RESPONSIBILITIES

- 8.1. You must read, understand and comply with this policy.
- 8.2. 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. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 8.3. You must notify the compliance officer as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future.
- 8.4. Any worker who breaches this policy will face disciplinary action, which could result in termination.

SECTION 9. HOW TO RAISE A CONCERN

- 9.1. You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the compliance officer.

SECTION 10. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

- 10.1. It is important that you tell the compliance officer as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

SECTION 11. PROTECTION

- 11.1. Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.
- 11.2. We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.
- 11.3. If you believe that you have suffered any such treatment, you should inform the compliance officer. If the matter is not remedied, you should raise it with any director.

SECTION 12. RECORD-KEEPING

- 12.1. Each Group company must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 12.2. You must keep a written record of all hospitality or gifts received or offered, valued over Cdn\$50, and submit these records to the accounting department. These will be subject to managerial review.
- 12.3. You must ensure all expense claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expense policy and specifically record the reason for the expenditure.
- 12.4. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties should be prepared and maintained accurately and completely. No accounts must be kept "off-book" to facilitate or conceal improper payments.

SECTION 13. TRAINING AND COMMUNICATION

- 13.1. Training on this policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this policy.
- 13.2. 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. Where appropriate, anti-corruption terms should be included in contracts with subcontractors and suppliers reflecting the principles of this policy.

SECTION 14. WHO IS RESPONSIBLE FOR THE POLICY?

- 14.1. The boards of directors of each Sepro Group company have overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.
- 14.2. The compliance officer has primary and day-to-day responsibility for implementing this policy, and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

SECTION 15. MONITORING AND REVIEW

- 15.1. The compliance officer will monitor the effectiveness and review the implementation of this policy, regularly considering its suitability, adequacy and effectiveness. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 15.2. All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 15.3. Workers are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to the compliance officer.
- 15.4. This policy does not form part of any employee's contract of employment and it may be amended at any time.

SECTION 16. SCHEDULE 1 - STATEMENT OF ETHICS

1. The Sepro Group operates in many jurisdictions around the world. We pride ourselves on our reputation for acting fairly and ethically. Our reputation is built on our values as a company, the values of our employees and our collective commitment to acting with integrity.
2. You have been provided with this statement of ethics because you are an individual employed or associated with the Sepro Group.
3. The Sepro Group condemns corruption in all its forms and will not tolerate it in our business or in those we do business with.
5. Our Anti-Corruption Policy sets out in detail how you should behave and what you should do if you are confronted with corruption.
6. The Anti-Corruption Policy is for your benefit as much as for Sepro Group's. If convicted of a bribery offence, any member of the Sepro Group might get a significant fine and suffer lasting reputational damage. If you are convicted of a bribery offence, you could face up to ten years in prison. The potential harm done by bribery is long term and hugely outweighs any potential short term gain. Bribery is just not worth the risk.
7. If you have any doubts about anything at all relating to corruption, refer to the Anti-Corruption Policy or speak to your compliance officer. The management of the Sepro Group will stand by you in acting ethically.
8. Remember, take the RIGHT approach, and we can eradicate corruption together:
 - 8.1 Responsibility. You are responsible for your actions. If you break the law, you will have to face the consequences - which could mean a fine, imprisonment, or both.
 - 8.2 Integrity. Don't compromise your integrity. If you think something is wrong, ALWAYS report it. If you aren't sure, consult the Anti-Corruption Policy. Don't ever let yourself be forced into doing something you know or suspect is wrong.
 - 8.3 Genuineness. Always pay genuine prices for genuine goods and services.. Agents who ask for especially large fees or commissions may do so in order to pay bribes on your behalf. If this happens, you will be responsible.
 - 8.4 Honesty. Act honestly and in good faith at all times and in all aspects of your work.
 - 8.5 Transparency. Keep accurate records (including all invoices and receipts) of everything that you do. Full and accurate records demonstrate complete transparency and that you have nothing to hide.
9. Don't bribe. Do the RIGHT thing

SECTION 17. SCHEDULE 2 - POTENTIAL RISK SCENARIOS: "RED FLAGS"

The following is a list of possible red flags that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for us, you must report them promptly to your manager, the compliance officer, or both:

1. you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
2. 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 government officials;
3. 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;
4. 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;
5. a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
6. a third party requests an additional fee or commission to "facilitate" a service;
7. a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
8. a third party requests that a payment is made to "overlook" potential legal violations;
9. a third party requests that you provide employment or some other advantage to a friend or relative;
10. you receive an invoice from a third party that is non-standard or customised;
11. a third party insists on the use of side letters or refuses to put terms in writing;
12. you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
13. 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;
14. you are offered an unusually generous gift or offered lavish hospitality by a third party.