



Indorama Ventures Public Company Limited

UK Bribery Act 2010

(Considered by the Board of Directors Meeting No.8/2011 dated Sep 12, 2011)

Executive Summary

UK Bribery Act 2010

The UK Bribery Act 2010 came into force on 1st July 2011. It creates a new corporate offence of failing to prevent bribery. There is a complete defence if there are in place “adequate procedures” designed to prevent bribery.

A commercial organisation commits an offence if a person associated with it bribes another person, with the intention of obtaining or retaining business, or a business advantage, for that organization.

The Act applies to public and private sector bribery, both in the UK and overseas. Penalties include a maximum of 10 years’ imprisonment, unlimited fines, confiscation of proceeds, debarment from public sector contracts and director disqualification. The offence mainly applies to directors and senior managers of UK companies.

Definitions:

Commercial organisations include UK companies and UK partnerships, which carry on business anywhere, or foreign companies and foreign partnerships, which carry on business in the UK.

Associated persons are persons who perform services for, or on behalf, of an organisation, and include employees, agents, advisers, contractors, subsidiaries, joint venture partners, some suppliers, but not a supplier who simply sells goods to the organisation.

Bribery is offering, promising or giving to others, or requesting, receiving or agreeing to receive from others, a financial or other advantage, to perform improperly a relevant function or activity.

Relevant functions or activities include all functions of a public nature, all activities connected with a business, any activity performed in the course of a person’s employment, and any activity performed by or on behalf of a body of persons.

Improper Performance can be summarised as performance which breaches of an expectation that a person will act in good faith, impartially, or in accordance with a position of trust.

The Bribery Act 2010 will apply to all IVL Employees, irrespective of their domicile, who are involved in any transaction in the UK, or with a UK company or partnership.

Prohibited:

- Accepting or requesting any financial or other reward from, or offering to, any person in return for providing some favour, or improperly performing a relevant function or activity.
- Gifts, such as wine, watches, chocolates, money should not be accepted from, or offered to, suppliers and/or customers.

- Meals, theatre/music/sports events should not be accepted from, or given to, suppliers and/or customers during tender or contractual negotiations *
- Hospitality over and above the usual course of business (e.g. holidays, short breaks, overseas travel), or that are disproportionate to the type of business dealing to which they relate, should not be offered to, or accepted from, suppliers or customers.

Allowed:

- Modest, reasonable and infrequent offers of hospitality may be acceptable in a business relationship; however, employees should notify their line managers of all hospitality offers they receive, and should consult with their line managers before considering making (or offering) any hospitality offers *
- Approved IVL marketing gifts of a reasonable price may be given to customers by Employees, with their Line Manager's approval *

****When in doubt, employees should consult their line managers before accepting or promising any gift or offer of hospitality. Business unit heads may provide guidance on the limits on the value of gifts.***