



MILLENNIUM & COPTHORNE
HOTELS plc

**ANTI-BRIBERY AND ANTI-CORRUPTION
COMPLIANCE GUIDE**

ANTI-BRIBERY AND ANTI-CORRUPTION COMPLIANCE GUIDE

1. INTRODUCTION

The Bribery Act 2010 (**Act**) introduced significant changes in UK anti-corruption law when it came into force on 1 July 2011. It is important that appropriate ongoing action is taken to protect against incurring liability. Specifically, the Act:

- extends the crime of bribery to cover all private sector transactions (and is not limited to transactions involving public officials and agents).
- contains a strict liability offence of failing to prevent bribery. An organisation will only have a defence to this offence if it can show it had "adequate procedures" in place to prevent bribery.
- offences are very broadly defined and it has significant extra-territorial reach.
- includes criminal penalties for individuals and organisations. For individuals, a maximum prison sentence of ten years and/or an unlimited fine can be imposed; for companies, an unlimited fine can be imposed.

2. BRIBERY OFFENCES

The Act contains four offences, including:

- (a) offering, promising or giving a bribe;
- (b) requesting, agreeing to receive or accepting a bribe;
- (c) bribing a foreign public official to obtain or retain business;
- (d) for commercial organisations, failing to prevent bribery by those acting on the organisation's behalf.

3. STRICT LIABILITY FOR FAILING TO PREVENT BRIBERY

A commercial organisation such as Millennium & Copthorne Hotels plc and any of its affiliated companies and subsidiaries (**M&C Group**) commits an offence if a person **associated** with it bribes another person for that organisation's benefit.

A person is "associated" with the M&C Group if it performs services for or on behalf of the M&C Group. This is construed broadly and applies to consultants, finders, agents, contractors, employees, subsidiaries, intermediaries, joint venture partners and suppliers, all of whom could render the M&C Group guilty of this offence.

To avoid liability, please read and comply with the *Procedures and Guidance for Bribery Act Compliance* attached at **Appendix 1**.

4. PARTICULAR RISKS FOR THE M&C GROUP

Given the nature of the M&C Group's business, you must pay particular attention to, and ensure that "adequate procedures" are taken in respect of, the following commercial activities:

- **Corporate hospitality and gifts:** There is a risk that corporate hospitality, such as customer or supplier entertainment and the giving or receiving of gifts, might be seen as bribery, especially in dealings with foreign public officials. Lavish hospitality or gifts must be avoided, both the giving and receiving.
- **Facilitation payments:** These are payments demanded by officials or others simply to secure or expedite the performance of their normal duties (for example, granting a licence, allowing goods to cross a border, and so on). These are commonplace in some jurisdictions, but the making of such payments, regardless of how small, is an offence under the Act.
- **Operations in high risk countries:** We operate in countries where corruption is perceived to be high, such as in China and countries in the Middle East.
- **Procurement and contracting for services:** The M&C Group may contract with agents to provide services or act on its behalf, including finders, sales agents, hotel managers, service providers and suppliers, intermediaries, joint venture partners.

5. RELEVANT POLICIES & APPLICABILITY

The M&C Group takes a zero tolerance approach to bribery and corruption and there are a number of relevant anti-bribery, anti-corruption and related policies with which you must adhere to. Please familiarise yourself with these.

Failure to comply with these policies could give rise to disciplinary action or dismissal.

The applicable policies include the following:

- Bribery Act policy;
- Whistleblowing policy;
- Code of Ethics and Business Conduct;
- Business Hospitality and Gifts policy;
- Barter agreements policy;
- Charity policy.

Unless otherwise stated in the policies, all employees of the M&C Group corporate offices and hotels—including owned, managed and leased hotels and hotels which otherwise are operated by the M&C Group—must comply with these policies, subject to any regional variations.

6. "ADEQUATE PROCEDURES" DEFENCE

It may be a defence to a charge of bribery or corruption if the M&C Group can prove that it had implemented and enforced "adequate procedures" to prevent bribery.

Accordingly and as noted above, please ensure that you enforce and maintain the *Procedures and Guidance for Bribery Act Compliance* attached at **Appendix 1**.

7. QUESTIONS AND REPORTING

Please contact your manager (if appropriate) and your regional Legal Department if you have any questions or need clarification in relation to anti-bribery or anti-corruption compliance.

If you suspect or have evidence of any unlawful activity, please report this to your regional Legal Department or to the Company Secretariat team at ***companysecretary@millenniumhotels.com***. All notifications will be treated as confidential and will be shared only on an as-needed basis.

APPENDICES

1. Procedures and Guidance for Bribery Act Compliance.
2. Bribery Act Questionnaire (and template Cover Letter).
3. Due Diligence Log.
4. Anti-Bribery & Anti-Corruption Clauses (Examples)

Endorsed by the Board of Directors of Millennium & Copthorne Hotels plc on 18 February 2016
Last updated on 18 February 2016

APPENDIX 1
PROCEDURES AND GUIDANCE FOR BRIBERY ACT COMPLIANCE

A. READ AND UNDERSTAND APPLICABLE M&C GROUP POLICIES AND ATTEND AND MAINTAIN ANTI-BRIBERY TRAINING FOR ALL M&C GROUP EMPLOYEES

1. Who: All M&C Group employees

2. Action: Read and understand the applicable M&C Group policies, including:

- Anti-Bribery Act policy;
- Whistleblowing policy;
- Code of Ethics and Business Conduct;
- Business Hospitality and Gifts policy;
- Barter agreements policy; and
- Charity policy.

In particular, note that all employees will need to register and obtain proper approval for gifts and entertainment received or, depending on the value or source, refuse such gifts or entertainment.

Copies of the M&C Group policies are available at Millennium & Copthorne Hotels' intranet at: <http://www.millenniumhotels.com/corporate/investors/policies.html>

As these policies may be updated or amended from time to time, you should regularly refer to the applicable policies.

3. Training:

Regional Human Resources Departments, supported by the regional Legal Departments, must ensure that each employee receives appropriate training on the relevant policies at the time of the employee's induction into the M&C Group and that such training is refreshed on an annual basis.

B. CONDUCT DUE DILIGENCE ON NEW AND EXISTING ASSOCIATES/COUNTERPARTIES

1. **Who:** Commercial team responsible for initiating a new contract or other business relationships with a service provider (e.g., procurement, operations, sales and marketing, etc.)

2. **Action:** Carry out a risk assessment on all “associates” and contracting counterparties in order to identify *high risk* associates or counterparties.

A “*high risk associate*” means any person or company with one or more of the following (or similar) factors present:

- a *red flag* is raised (see examples below)
- the contract is particularly significant (e.g. long-term, high value, involves the performance of services for multiple hotels, etc);
- The services to be performed are high risk (e.g. require legal or Board authorisations or permits, government contracting or with public officials, significant construction or development work);
- The associate is a proposed “hotel finder” or broker, joint venture partner, franchisee or hotel owner.

Examples of a “*red flag*” includes:

- Due diligence searches which indicate evidence or allegations of previous corruption or other red flags;
- The associate is a public official or related to a public official (e.g. owner, director, etc.);
- An unusual or inappropriate payment request is made (e.g. requesting payment be made to a third party other than the contractual counterparty, or requesting some other request for a benefit);
- The associate objects to inclusion of appropriate anti-bribery or anti-corruption clauses in the agreement;
- The associate refuses to answer reasonable due diligence queries or provide the requested information, including the identity of its directors or beneficial owners;
- The associate does not perform the contracted services or have a substantive commercial role or qualification other than to influence others or help get a deal completed.

3. **How:** You must conduct adequate background checks on the associate or counterparty which, depending on whether the associate/counterparty is “High Risk” or “Low Risk”, must include the following:

(a) **If deemed *Low Risk*, carry out *standard* due diligence checks, as follows:**

- (i) Complete the “standard supplier request form” for new suppliers;
- (ii) Conduct internet searches of the company and its officers and directors for any applicable information, including adverse media;
- (iii) Conduct any other reasonable background checks;
- (iv) Check the business/companies register to confirm the validity and existence of the named entity and, if registered, check that it has not been dissolved or

- wound up;
- (v) Details of the associate/counterparty including name, registration number, address, name of principals/directors and any other information provided by the associate to be checked for accuracy.

(b) If deemed *High Risk*, carry out *enhanced due diligence checks*, as follows:

- (i) Complete all "*Low Risk*" due diligence checks (set out at (a), above);
- (ii) Request associate/counterparty to complete and return the **Bribery Act Questionnaire** (attached at **Appendix 2**). A suitable template for a cover letter to be sent with the questionnaire has been also provided for your convenience;
- (iii) If dealing with individuals, request a copy of passport photo pages;
- (iv) Check/confirm references;
- (v) In exceptional circumstances, where additional checks are deemed necessary, escalate the matter to your regional Legal Department or Company Secretariat team so that they can conduct an enhanced background search using the *Dow Jones Risk & Compliance* online service.

4. Maintenance, monitoring and reporting:

Information compiled as part of any background checks pursuant to the due diligence process must be treated as confidential information and filed with a copy of the executed contract as evidence that such checks have been carried out.

Information about associates and counterparties must be monitored on an ongoing basis, and at least annually, by the Commercial team responsible for managing that relationship.

In relation to "*high risk*" associates and counterparties, you must maintain a "*Due Diligence Log*" that records the background checks carried out and must highlight the reasons why the counterparty was deemed as high risk. A template "**Due Diligence Log**" is attached at **Appendix 3**.

Please send a copy of this log to your regional Legal Department each month. The regional Legal Department is responsible for compiling a "*Master Log*" of all high risk Associates in their region, and reviewing the list in order to identify any potential risks to the M&C Group.

C. INCORPORATE ANTI-BRIBERY & ANTI-CORRUPTION CLAUSES INTO ALL COMMERCIAL AGREEMENTS

- 1. Who:** (i) Commercial team responsible for initiating a new contract or other business relationships with a service provider (e.g., procurement, operations, sales and marketing, etc.); and
(ii) Regional Legal Departments.

- 2. Action:** All contracts with “associates” and/or service providers entered into by M&C Group companies must include appropriate anti-bribery and anti-corruption provisions.

Note that all M&C Group companies are subject to the Bribery Act 2010 due to the extra-territorial scope of that Act.

- 3. How:** Examples of **anti-bribery clauses** are set out at **Appendix 4**. Such clauses should be incorporated into all M&C Group contracts with “associates” and/or service providers. Please contact your regional Legal Department if you need assistance in preparing a suitable contract incorporating these terms.

APPENDIX 2
BRIBERY ACT QUESTIONNAIRE (& TEMPLATE COVER LETTER)

[COVER LETTER TO BE PRINTED ON THE APPLICABLE M&C COMPANY LETTERHEAD /FOOTER]

Contact Name, Surname

Company

Address

Address

Address

Date

Dear Contact Name,

Compliance with the Bribery Act 2010

It is Millennium Hotels and Resorts' (**MHR**) policy to conduct all of its business in an honest, fair and ethical manner. MHR takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Further, MHR is bound by the provisions of the Bribery Act 2010 of the United Kingdom (**Bribery Act**). The Bribery Act makes it an offence for any company to which the Act applies and any company providing services on behalf of that company (each, an "**Associated Person**") to:

- offer, promise or give a bribe to another person;
- request, agree to receive or accept a bribe from another person;
- bribe a foreign public official; and/or
- fail to prevent bribery.

A bribe is giving or receiving something of value to influence a commercial transaction.

For the avoidance of doubt, any payment made to a public official (or other person) to secure or expedite the performance of routine actions (known as a "**facilitation payment**"), is deemed to be a bribe under the Bribery Act.

As you are an Associated Person engaged by MHR **[to act on its behalf in providing services to third parties] [or] [to supply [insert details of services or goods supplied]]**, you must:

- (a) comply with all applicable laws, statutes, regulations relating to anti-bribery and anti-corruption including but not limited to the Bribery Act (**Relevant Requirements**);
- (b) not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act;

- (c) comply with MHR's Code of Ethics and Anti-bribery Policy, available in hardcopy upon request or at:

<http://www.millenniumhotels.com/corporate/investors/policies.html>

as MHR may update them from time to time (**Relevant Policies**);

- (d) have and shall maintain in place throughout the term of the service agreement with MHR, your own policies and procedures, including adequate procedures under the Bribery Act, to ensure compliance with the Relevant Requirements, and will enforce them where appropriate.

In particular, you should:

- not pay bribes in any form to any person while performing a service for or engaged on behalf of MHR;
- take all reasonable and proportionate steps to ensure that your officers, employees and agents do not pay bribes in any form to any person while performing a service for or acting on behalf of MHR; and
- notify us immediately if you have reasonable grounds to believe that a bribe of any form has been made by any person to secure business or other advantage for MHR.

So that we may conduct our due diligence checks, please complete the attached questionnaire and return it to us with a signed and dated copy of the acknowledgement below. Should you have any questions regarding this letter and/or the attached questionnaire, please do not hesitate to contact us. Thank you.

Yours sincerely,

[name of authorised signatory on behalf of M&C Company(usually a director or other authorised officer)]

for and on behalf of

[name of M&C Company e.g. Copthorne Hotels Limited]

ACKNOWLEDGEMENT

I confirm that I have read, understood and agree to comply with the above anti-bribery and anti-corruption terms.

NAME: (please print)

POSITION / TITLE:

(Note: only authorised persons such as Managing Directors, Partners, Company Secretaries or Head Compliance Officers may execute this letter)

NAME OF COMPANY:

ADDRESS:

SIGNATURE:



MILLENNIUM

HOTELS AND RESORTS

More than Meets the Eye

ANTI-BRIBERY & ANTI-CORRUPTION QUESTIONNAIRE (ASSOCIATED PERSON)

Notes:

- Reference to “you” or “your” means the Associate, including any individual, corporate entity or partnership, as applicable.
- Reference to “MHR”, “Millennium Hotels and Resorts” or “Millennium & Copthorne” is a reference to Millennium & Copthorne Hotels plc and its subsidiaries, affiliates and joint ventures, as applicable.

1. Do you have one or more written policies or codes of conduct **prohibiting** the following?

(Tick all that apply)

- | | |
|---|--------------------------|
| (a) Bribery of government officials | <input type="checkbox"/> |
| (b) Commercial (private sector) bribery | <input type="checkbox"/> |
| (c) Falsification of books and records | <input type="checkbox"/> |
| (d) Use of charitable contributions as bribes | <input type="checkbox"/> |
| (e) Use of gifts, entertainment and corporate hospitality as bribes | <input type="checkbox"/> |

2. Does your organisation have an anti-corruption policy and training process?

(Tick all that apply)

- | | |
|--|--------------------------|
| (a) Anti-corruption policy | <input type="checkbox"/> |
| (b) Anti-corruption training programme | <input type="checkbox"/> |

3. Does your organisation have a whistle-blowing policy and hotline?

(Tick all that apply)

- | | |
|----------------------------|--------------------------|
| (a) Whistle-blowing policy | <input type="checkbox"/> |
| (b) Hotline | <input type="checkbox"/> |

4. Do you permit “facilitation payments”, either directly or through third parties? (Facilitation payments, also known as 'grease' or 'speed' payments, are sums paid to government officials to procure or expedite the performance of routine governmental functions, e.g., issuing visas or import licences.)

Yes

No

If 'yes', please provide details.

5. Have you, or have any of your organisation’s directors, officers, partners or employees ever been the subject of an investigation or prosecution for bribery, corruption or a money-laundering offence in any country?

Yes

No

If 'yes', please provide details.

6. Have you, or have any of your officers/partners or employees, ever been convicted of a bribery, corruption or money-laundering offence in any country?

Yes

No

If 'yes', please provide details.

7. Have you, or have any of your officers/partners, employees, agents or representatives, made a bribe to any person in connection with the services you will provide, or have in the past provided, to any Millennium & Copthorne entity or employee?

Yes

No

If 'yes', please provide details.

8. Do you make (or have you made) payments to any charity or community group on MHR’s behalf?

Yes

No

If 'yes', please provide details.

9. Do you make (or have you made) any payment to a public official on MHR's behalf?

Yes

No

If 'yes', please provide details:

10. Have you provided any gift or hospitality to MHR in the last 12 months?

Yes

No

If 'yes', please provide full details including frequency, value and aggregate value for the last 12 months.

11. Have you provided any gift or hospitality to third parties on behalf of MHR in the last 12 months?

Yes

No

If 'yes', please provide full details including frequency, value and aggregate value for the last 12 months.

I confirm that the statements and answers provided in this questionnaire are true and am duly authorised to make this statement for and on behalf of the Associated Person named below.

I agree to notify Millennium Hotels and Resorts promptly if there are any material changes to the information provided herein.

Name:

Associate name (if different):

Position:

Date:

(If a company or partnership, only the entity's principals such as directors, partners or other authorised signatories such as chief executive, manager or legal representative (with proof of any signing authority) may execute this document).

Please sign, date, scan and return this questionnaire by email to your business contact at Millennium Hotels and Resorts. Thank you.

APPENDIX 3
DUE DILIGENCE LOG
(INCLUDING DETAILS OF CHECKS ON "HIGH RISK" ASSOCIATES OR COUNTERPARTIES)

APPENDIX 4
ANTI-BRIBERY & ANTI-CORRUPTION CLAUSES (EXAMPLES)

1. LONG FORM ANTI-BRIBERY (& ANTI-SLAVERY) CLAUSE:

(generally applicable to contracts of significant value i.e. >US\$ 100,000)

1.1 The [Agent/Supplier] shall:

- (a) comply with all applicable laws, statutes, regulations relating to anti-bribery and anti-corruption including, but not limited to, the Bribery Act 2010 of the United Kingdom and anti-slavery provisions set out in, but not limited to, the Modern Slavery Act 2015 of the United Kingdom (**Relevant Requirements**);
- (b) not engage in any activity, practice or conduct which would constitute an offence under sections 1, 2 or 6 of the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- (c) comply with Millennium Hotels and Resorts' Code of Ethics and Business Conduct and Anti-bribery, and Group Human Rights policies located at:

<http://www.millenniumhotels.com/corporate/investors/policies.html>,
as Millennium Hotels and Resorts may update them from time to time (**Relevant Policies**);
- (d) have and shall maintain in place throughout the term of the Agreement its own policies and procedures, including adequate procedures under the UK Bribery Act 2010, to ensure compliance with the Relevant Requirements, and will enforce them where appropriate;
- (e) promptly report to the [Hotel] any request or demand for any undue financial or other advantage of any kind received by the [Agent/Supplier] in connection with the performance of the Agreement;
- (f) immediately notify the [Hotel] (in writing) if a foreign public official becomes an officer or employee of the [Agent/Supplier] or acquires a direct or indirect interest in the [Agent/Supplier], and the [Agent/Supplier] warrants that it has no foreign public officials as direct or indirect owners, officers or employees at the date of the Agreement.

1.2 The [Agent/Supplier] shall ensure that any person associated with the [Agent/Supplier] who is performing services in connection with the Agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the [Agent/Supplier] in this clause [1] (**Relevant Terms**). The [Agent/Supplier] shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to the [Hotel] for any breach by such persons of any of the Relevant Terms.

1.3 Breach of this clause [1] by the [Agent/Supplier] shall be deemed a material breach.

1.4 For the purpose of this clause [1], the meaning of adequate procedures and foreign public official and whether a person is associated with another person shall be determined in accordance with section 7(2) of the Bribery Act 2010 (and any guidance issued under section 9 of that Act), sections 6(5) and 6(6) of that Act and section 8 of that Act respectively. For the purpose of this clause [1], a person associated with the [Agent/Supplier] includes but is not limited to any agent, delegate or subcontractor of the [Agent/Supplier].

2. SHORT FORM ANTI-BRIBERY (& ANTI-SLAVERY) CLAUSE

2.1 The [Agent/Supplier] shall:

- (a) comply with all applicable laws, statutes, regulations relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 of the United Kingdom and anti-slavery provisions set out in, but not limited to, the Modern Slavery Act 2015 of the United Kingdom (**Relevant Requirements**);
- (b) not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 if such activity, practice or conduct had been carried out in the UK;
- (c) comply with the Millennium Hotels and Resorts' Ethics and Anti-bribery Policy located at:
<http://www.millenniumhotels.com/corporate/investors/policies.html>,
as Millennium Hotels and Resorts may update them from time to time (**Relevant Policies**);
- (d) have and shall maintain in place throughout the term of the Agreement its own policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements, and will enforce them where appropriate;

OR

3. ANTI-BRIBERY & ANTI-SLAVERY

- 3.1 Each party shall comply with all applicable laws relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 of the United Kingdom and anti-slavery provisions set out in, but not limited to, the Modern Slavery Act 2015 of the United Kingdom.
- 3.2 Neither party shall offer or agree to give any employee, agent or representative of the other party any gift or consideration of any kind as an inducement or reward for doing or for bearing to do or for having done or forborne to do any act in relation to the obtaining or execution of the [Contract] or for showing or forbearing to show favour or disfavour to any person in relation to the [Contract].
- 3.3 In the event of any breach of this clause by either party or by anyone employed by it or acting on its behalf (with the knowledge of that party), the other party shall be entitled to terminate the [Contract].