ANTI-CORRUPTION & ANTI-BRIBERY POLICY

SUMMARY

Corruption distorts the rule of law and the fair marketplace practices on which we, and other good corporate citizens, depend.

We conduct our business in an honest, straightforward, and ethical manner, taking a zero-tolerance approach to bribery and corruption. We are committed to acting with integrity in all our business dealings and relationships. Therefore, we have implemented effective systems to counter the risk of bribery and corruption and to ensure we are compliant with all our legal and ethical obligations when conducting any business of any type anywhere in the world.

This policy will help you understand how to recognise bribery and corruption, and what to do in a situation where you suspect it is taking place. It will also assist you in conducting yourself and our business legally, ethically, and with integrity. It also outlines the appropriate ways in which we should deal with the offer of gifts and/or hospitality from our suppliers.

This policy is not meant to stop legitimate business activity or curb appropriate development of the business and business courtesies, so long as that activity complies with the law and with our standards of conduct.

The PureGym Group could be faced with an unlimited fine if bribery and corruption charges are successfully brought against us, not to mention irreparable damage to our reputation. You should be aware that as an individual, you could also face fines and imprisonment if you take part in corruption or bribery.

As you will probably have gathered, this is a heavy weight and serious topic, so you must take the time to read and understand this policy. If you do have any questions, the People Team will be able to answer them for you.

This policy applies to all individuals who work for the PureGym Group and includes anyone working with, or alongside the PureGym Group. It is intended to be used at a global level to ensure all individuals comply with relevant and local anti-corruption and anti-bribery laws.

Prior to agreeing or commencing a working relationship, contract, or service agreement with any third parties, a copy of this policy will be issued, signed, and returned.

The PureGym Group recognises that sometimes judgments must be made by team members as to the appropriateness, or otherwise of conduct or proposed conduct. We encourage a culture where team members feel free to consult with each other before making decisions.

If you are in any doubt, ask.

WHAT IS BRIBERY?

A bribe is an incentive or reward offered, promised, agreed, or authorised to be paid, given, accepted, facilitated, or solicited (in each case directly or indirectly) to gain any commercial, contractual, regulatory, or personal advantage.

It matters because bribery can give an unfair advantage to those who may not need or deserve it. Incentives and rewards may include:

- Cash or cash equivalents
- Gifts
- Meals
- Entertainment
- Travel expenses
- Holidays
- Offers of hiring
- Discounts
- Rebates
- Charitable or political contributions

For every bribe accepted, business and industry is a little less fair, robust, and competitive. It weakens the law and damages social and economic development. The prevalence of bribery and corruption is increasing, so it is important that you are aware of the risks. Here at the PureGym Group, we ‘fight fair’, and bribery is never tolerated.

RISKY SCENARIOS – RED FLAGS

The following is a list of possible red flags that may arise while you are working for us, and which could raise concerns under anti-bribery and anti-corruption laws. This is not a complete list and acts as guidelines for what you should be looking out for.

If you encounter any of these red flags, you must report them promptly either to your line manager or a member of the People Team:

- 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 government 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

THE PUREGYM GROUP

- 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 a payment is made to a country or geographical location different from the third-party officially conducts business
- A third-party requests an unexpected additional fee or commission to "facilitate" a service
- A third-party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or the 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
- You receive an invoice from a third-party that appears to be non-standard or customised
- A third-party insists on the use of "side letters" or documents, which are not formally part of the written contract or refuses to put terms agreed in writing
- You notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided.
- 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

EXAMPLES

Offering a bribe

- You offer a potential supplier tickets to a major sporting event, but on the condition that they agree to do business with the PureGym Group, or on preferential terms
- STOP! This is an offence because you are making an offer to gain a commercial and contractual advantage

Receiving a bribe

- A company which does business with the PureGym Group gives a member of your family a job, but makes it clear that in return, they expect to use your influence within PureGym to ensure that we continue to do business or give preferential treatment
- STOP! It is an offence for both the company to make such an offer and for you to accept the offer, because you would be obtaining a personal advantage

Bribing a foreign official

- You arrange for the PureGym Group to make an additional payment to a foreign official to speed up an administrative process, such as clearing our goods through customs
- STOP! The offence of bribing a foreign public official has been committed as soon as the offer is made because it was made to gain a business advantage

Whilst the last scenario is less likely due to the structure of our business, it is important to understand the many ways bribery can occur.

What are foreign officials?

- Any elected or appointed official of a national or local government
- A person who holds a legislative, administrative, or judicial position of any kind
- A person who exercises a public function for or on behalf of a country, or area within a country, or for any public agency, or public enterprise of that country or area
- Representatives or employees of a government agency such as customs, immigration, or transportation workers
- Someone within the military
- Representatives of political parties, including candidates for political office
- Representatives of public international organisations such as the UN, the World Bank, the International Monetary Fund
- Employees of state-owned or controlled organisations such as airlines, banks, hospitals, energy companies and postal services
- Entities hired by and acting on behalf of a government agency or instrument such as consultants and marketing or advertising agencies

This list is non-exhaustive and may include people who you may not normally consider as government officials. If you are unsure, speak to your line manager or the People Team for clarity.

You must avoid any conduct that creates even the appearance of improper activity or conduct.

YOUR RESPONSIBILITIES

- You should read, understand, and comply with this policy. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of everyone working for or with us
- You must notify your line manager and the People Team as soon as possible if you believe or suspect that a conflict with this policy has happened or may happen in the future

- If you are an employee and you breach this policy, you may face formal disciplinary action up to and including gross misconduct and summary dismissal
- If you are a worker or third party and you breach this policy whilst working with us, we reserve our right to terminate our contractual relationship with workers if they breach this policy

GIFTS AND HOSPITALITY

What is acceptable?
This policy does not stop normal and appropriate hospitality or gifting to or from third parties, if the following requirements are met:

- It is given or received in good faith without any appearance to influence someone's decision or action
- It is not made with the intention of influencing a third party to obtain or retain business (or a business advantage), or to obtain favours or benefits
- It complies with local law
- It is given in the Company's name, not in your own name
- It does not include cash or a cash equivalent (such as gift certificates or vouchers)
- It is not lavish but is customary, appropriate, and proportionate in the circumstances. For example, in the UK and internationally it is customary for small gifts (i.e. gifts that are not very expensive and are given to show appreciation) to be given for special occasions
- Considering the reason for the gift, it is of an appropriate type and value and given at an appropriate time
- It is given openly, not secretly; and
- It is not being offered to or accepted from government officials, politicians, or political parties

We appreciate that the practice of giving business gifts varies between regions and what may be normal and acceptable in one region may not be in others. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. You should always consider the intention behind the gift, and its value before it is accepted or offered.

Sharing is caring…
Within our Central Functions, if a gift is offered and accepted in thanks of a great working relationship, is generic and the business relationship is companywide (for example wine and chocolates at Christmas time), we believe that everyone should have the opportunity to benefit from the gift. To make this happen, we ask that all gifts are added to a raffle pile, then tickets are sold for a small amount to anyone who would like to be involved. The money from the raffle is then given to our company sponsored charity. Everyone wins.

Corporate hospitality
If you are invited to a corporate day or any other event, including the supplier funding a team event, this must only be accepted where the supplier making the invite is in attendance; otherwise, this will be classed as a gift. Acceptance of hospitality should be used for networking, relationships and PR only, and should be approved by Procurement before acceptance.

Business gifts
Suppliers and other companies may offer gifts to individuals or departments as a way of thanks and recognition. Examples of gifts that may be retained by the recipient are diaries, pens, chocolates, bottle of wine. All other gifts, for example sports or concert tickets should be approved by Procurement before acceptance.

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

- Give, promise to give, or offer payment, gift, or hospitality with the expectation or hope that you will get a business advantage or to reward a business advantage already given
- Give, promise to give, or offer a payment, gift, or hospitality to a government official, agent or representative to "facilitate" or speed up a routine procedure
- Accept payment from a third party that you know, or suspect is offered with the expectation that it will get a business advantage for them
- 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 given by us in return
- Threaten or retaliate against another team member, who has refused to commit a bribery offence or who has raised concerns about bribery or corruption under this policy; or
- Engage in any activity that might lead to a breach of this policy

Regardless of local custom or practice, it isn't acceptable to engage in any kind of conduct that is, or may be, a violation of the law. It may be customary in some cultures to offer gifts and hospitality that under UK law may be considered a breach of the UK Bribery Act. There are also similar restrictions in the United States under the US Foreign Corrupt Practices Act. Under no circumstances should any gifts or hospitality be accepted from any supplier or company during any form of tender or negotiation process as this is classed as bribery.

If you are unsure about whether a gift, meal, hospitality, or travel expense of any kind is appropriate, speak to your line manager the Procurement Team before engaging with any offer.

FACILITATION PAYMENTS AND KICKBACKS

Facilitation payments are typically small, routine, or nominal unofficial payments made to secure or speed up a routine government action by a government official. They are not common in the UK but are common in some other jurisdictions in which we may operate in the future as the business grows.

Kickbacks are typically payments made in return for a business favour or advantage. An example of a kickback payment could be if we were asked to make a small cash payment to speed up the processing of work visa and permit paperwork for a new international employee. We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.

If you are asked to make a payment on behalf of the company:

- Be mindful of what the payment is for
- Is the amount requested proportionate to the goods and services provided?
- Always ask for a receipt which details the reason for the payment
- If doubtful, simply say 'that does not reflect my company policy, I will have to check with my line manager before making a payment to you'.

If you have suspicions, raise the alarm with your line manager, or a member of Senior Management or the People Team. We will support you to find a resolution. You must avoid any activity that might lead to or suggest that a facilitation payment or kickback will be made or accepted by us.

HIRING DECISIONS

We have a dedicated Talent Acquisition Team who oversee and monitor all hiring processes that take place across the PureGym Group. It is important that the correct hiring process and resources are used to ensure all hiring decision are fair and ethical.

- We often hire following referrals made by employees, members or third parties, and it is okay to hire someone in this way. However, we need to ensure that any offer of employment is not made in exchange for reward or, is part of any improper conduct, and following the correct hiring process will encourage all hiring decisions to be made fairly
- If you believe someone such as a member, supplier, business partner, or other third-party is attempting to influence the hiring process by asking you to find or offer employment for a relative or friend, and you think this may be unethical or be considered improper conduct, you should report it straight away and discuss the concern with the People Team
- If anyone offers you a reward or benefit in exchange for you hiring a specific individual or, if anyone threatens to take adverse action if a specific individual is not hired, you should report it straight away to your line manager and the People Team.

WORKING WITH SUPPLIERS AND THIRD PARTIES

The UK Bribery Act 2010 and the US Foreign Corrupt Practices Act prohibit improper benefits of any kind, whether received directly or indirectly. This means that the PureGym Group may incur liability if a third-party or supplier who are engaged in business with, or on behalf of the PureGym Group, makes an improper payment or engages in improper conduct during their engagement with the PureGym Group. This type of liability may arise regardless of the improper payment, or improper conduct being prohibited by the PureGym Group or, the PureGym Group having no knowledge of the improper payment or improper conduct occurring.

Reasonable due diligence should be carried out before engaging in business with a supplier or third-party of any kind, to ensure the nature and way they conduct their business is consistent with the PureGym Group's commitment to operate a fair, and ethical business in accordance with anti-bribery and anti-corruption laws.

Consequences for the PureGym Group and for you can be severe and include criminal and civil penalties and reputational harm.

DONATIONS

- We do not make contributions to political parties
- The only donations that the PureGym Group permits are legal and ethical charitable donations made in accordance with our high ethical standards
- You should not offer or donate without prior approval of the Senior Management team
- This is to make sure that the payment cannot be mistaken for an inappropriate or unlawful payment

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RECORD-KEEPING

We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties. As mentioned previously, any gifts should be declared to the Procurement Team who will keep a track of all items offered and accepted by team members.

You must ensure all expense claims relating to hospitality, gifts, or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure. All accounts, invoices, notes, and other documents and records relating to dealings with third parties, such as clients, suppliers, and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept “off book” to facilitate or conceal improper payments.

How should I raise a concern?
You should raise concerns about any issue or suspicion of malpractice at the earliest possible stage by speaking to your line manager or a member of the People Team.

If you would prefer to raise a concern confidentially, you can contact our confidential whistleblowing service, SeeHearSpeakUp, on a 24-hour confidential hotline 00800 9687 4357; by emailing report@seehearspeakup.co.uk or, by providing information of your concern at www.seehearspeakup.co.uk/file-a-report.

We will need to conduct a formal investigation into the concerns you have raised, so telling us as much information as you can early on is important. By presenting facts, dates, copies of communication or any other evidence to support your concern you give us a solid platform to work from.

Please also refer to our Whistleblowing Policy.

PROTECTING YOU

We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. People are often concerned about putting their hand up and raising a concern like this. We will work with you to understand the detail and find the right resolution to the issue.

We mean it when we say we are committed to ensuring no one suffers any detrimental treatment because of refusing to take part in bribery or corruption or because of reporting in good faith their suspicion that an offence has taken or may take place.

Detrimental treatment includes dismissal, disciplinary action, threats, or other unfavourable treatment connected with raising a concern. If you believe that you have suffered such treatment, you should inform your line manager or a member of the People Team.

Turning a blind eye
We understand that you may be concerned, or feel uncomfortable about reporting any suspicions of bribery and corruption but, turning a blind eye or ignoring suspicious activity is not acceptable. In some cases, you may be considered as having reasonable knowledge of, or to have assisted with unlawful actions, where you have been aware of such activity but chosen to ‘turn a blind eye’.

TRAINING AND COMMUNICATION

Training on this policy will form part of the induction process for all new team members. All existing team members will receive regular, relevant training on how to implement and adhere to this policy.

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 afterwards. The easiest way to do that is to share this policy with them.

RESPONSIBILITY

The People Team and in particular the Group HR Director ‘owns’ this Policy. The Chief Finance Officer has overall responsibility for ensuring this policy complies with our legal and ethical obligations and that all those under our control comply with it.

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.

This policy is not contractual, and we may amend it from time to time.