



BRITISH INTERNATIONAL INDUSTRIES LIMITED

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TO WHOM IT MAY CONCERN

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Dear Reader

British International Industries Limited (BII) Code of Conduct sets out the company's parameters of what is acceptable and not acceptable behaviour.

In adopting the Code of Conduct, BII accepts the Key Principles of protection and compliance that enable us to conduct our business in accordance with the highest standards and, in doing so, maintain and protect our excellent reputation.

BII expects all Agents employees and everyone working with or on behalf of the company to demonstrate our Key Principals and ETHICAL Values in all business dealings. We will not tolerate Unethical behaviour at any level. Practices that involve bribery or corruption are not and will not be accepted by BII.

The Directors of BII are personally committed to leading by example and demonstrating what is considered to be proper business values.

BII is commitment to adhering to a Code of Conduct, that we can ensure will work to the highest standards, helping us maintain BII's reputation for providing products and spares efficiently and reliable to meet all of our customer requirements.

Yours Sincerely
British International Industries Ltd

Christopher R. Cradock

Christopher R. Cradock
Managing Director



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1. The Code of Conduct

- 1.1 The BII Code of Conduct sets out the company's parameters of acceptable conduct.

BII provide employees with training to help them carry out their duties in line with this Code.

This Code represents a framework to help guide decision making. If you are subject to disciplinary action through a breach of the Code, it will not be an acceptable excuse to say that you have not read and understood the full policy.

Business Ethics is a foremost business topic and the BII Code of Conduct will be continually reviewed to ensure that the company's standards are maintained to the highest standard.

- 1.2 The Code Applies to:

- Agents
- Business Representatives
- Contractors
- Directors
- Employees
- Joint Venture Partners
- Suppliers

- 1.3 Contact

For further information regarding the BII Code of Conduct, or how to report your ethical concerns, refer to the following:

Christopher Cradock,
Managing Director,
email **chris@britishinternational.com**
Tel **01483 266670**

Employees should seek advice from their line manager, on any behaviour not shown within this document, which you may consider to be unacceptable.

Contractors should in the first instance speak of any ethical concerns to their employment agency or contracting company.



2. Key Principles

2.1 Our Expectations

The company expects every person working for or with us to help protect:

- People, Property, Reputations & Relationships

The company expects every associated person or employee ensure they comply with:

- Applicable UK/EU laws and regulations
- Applicable laws and regulations in every country where BII operates
- BII management instructions
- Standard Normal Business

2.2 Our Ethical Values

Being “ethical” simply means doing the right thing, or treating people/things as we would want and expect others to treat us/our things.

BII holds the following Ethical Values in high regard amongst the people we employ and work with.

ETHICAL Value - What It Means In BII

Empathy	Giving appropriate consideration to the needs and views of others
Trust	Being direct, dependable and keeping our promises
Honesty	Expressing objective views and telling the truth
Integrity	Adhering to our Key Principles and Ethical values at all times
Confidence	Having the confidence to speak up about ethical risks and issues
Accountability	Taking ownership of issues and admitting to mistakes
Leadership	Leading by example to show others what is expected of them



3. BII Representatives Responsibilities

3.1 All BII Representatives

- Protect people
- Protect property
- Protect our business relationships
- Protect BII's and our people's reputation
- Comply with all laws and regulations, in every country in the world where BII operates.

3.2 BII Employees

Employees have an individual responsibility to:

- Read and understand relevant policy documents and abide by laws
- Follow company procedures
- Keep accurate business and employment records
- Maintain agreed standards
- Ask for training and support if a development need is identified
- Consult with a BII colleague if there is a risk the BII Code of Conduct may have been breached
- Report any ethical concerns to their line manager

3.3 BII Directors

The Directors of BII have responsibility for defining the standards of the company.

The Directors of BII at all times endeavour to maintain proper values and to lead by example.



4. Company Property

4.1 BII Responsibility

BII is responsible for providing the tools, equipment and resources required for employees to perform their company duties, either on site or when working off site including at home.

4.2 Employee and Contractor Responsibility

Employees and contractors have individual responsibility to safeguard BII company property in their care including:

- IT equipment especially laptops/notebooks
- Company telephones and mobiles
- Blackberry and other PDA devices
- All data held on memory devices e.g. USB
- CD's and any other portable digital media
- Office furniture and fittings
- Intellectual property e.g. patents, trademarks, copyrights and trade secrets

4.3 BII Policy

Policy is monitored to ensure compliance. Cases of loss or damage to company property will be risk assessed by the compliance manager and a judgement made as to whether the breach was negligent and/or of a criminal nature. The case may be reported to the appropriate authorities.

Unacceptable Behaviour:

- Using company phones to make unauthorised calls
- Using company resources for personal projects
- Misuse or inappropriate use of the company's IT facilities including the internet



5. Data Protection

5.1 Responsibility for Loss

The leak or loss of any company data whatsoever into unauthorised hands presents a risk to BII, our employees and customers. Such loss may be in breach of data protection law and therefore may be prosecuted by the authorities.

BII will provide secure methods for employees to store protectively marked data as hard copy documents (e.g. in locked drawers/filing cabinets or offices), or electronically (e.g. on a secure server with appropriate password protection).

Employees, and contractors have individual responsibility for ensuring company data, to which they have access, is kept confidential at all times, both in and outside the company's premises.

Sources of data include:

- Company intranet(s)
- Emails and attachments
- Documents (commercial and technical)
- Spreadsheets and databases
- Letters and correspondence
- Telephone calls, messages including mobile
- Meeting room whiteboards/charts/material

5.2 Work Area Responsibility

Employees and those who work in our offices should keep their desk area clear and tidy while at work, and especially when the desk area is left unattended. Fax machines and printers should be checked at the end of the day, with any unclaimed papers safely stored and passed to the owner or intended recipient as soon as possible.

5.3 Compliance Monitoring

Policy is monitored to ensure compliance. Data losses will be reported to the Directors, and a decision will be made as to whether the loss was negligent and/or of a criminal nature, which will be reported to the authorities.



6. Relationships

6.1 Customer Treatment

BII endeavours to be a company that our employees are proud to work for and our customers happy to deal with. We have a positive business culture where working relationships are built on trust and confidence. BII employs people who we feel are a good fit within our business culture and who will contribute to our on going success.

Customers must at all times be respected, treated fairly and with honesty and integrity.

6.2 Training and Responsibility

BII will provide a mechanism for training those employees and directors more exposed to I risk situations.

Employees and contractors have individual responsibility for providing a consistently fair level of customer treatment by following BII policy and procedures and reporting any concerns about customer treatment, such as “Disrespecting customer wishes”.



7. Gifts and Hospitality

7.1 Interpretation

Gifts and Hospitality offered or received have different interpretations in other societies. An 'acceptable' business gift in one society may be considered or be an actual bribe in another. Offering excessive hospitality to secure business advantage is unethical.

7.2 Policy Awareness and Responsibility

Employees, business representatives, agents and suppliers, must make themselves aware of the policy and of the need to notify a BII senior manager if gifts or hospitality are offered or received which fall outside this policy.

Employees and contractors have individual responsibility for recording the receipt and giving of any gifts & hospitality to the company.



8. Personal Interests

8.1 Conflict of Interest

A conflict of interest occurs when someone has a self-interest in business related dealings, one or more of which may be external and in ethical conflict with their function and role in BII. Such conflict has the potential to impair that person's ability to make fair, honest judgements or they might abuse company resources for the pursuit of self-interest.

8.2 Employee and Contractor Responsibility

Employees and contractors have individual responsibility for ensuring that a BII is informed of any potential conflicts of interest and that permission is sought before an employee seeks secondary employment or such external interest.

Unacceptable Behaviour:

- Taking a second job without authorisation
- Unauthorised disclosure of confidential or sensitive company data to any third party
- Failing to notify BII of a known potential conflict of interest such as a position or a large shareholding in a supplier company, or a family member who works for a competitor



9. Bribery and Corruption

9.1 Perceptions and the Law

Trading in some foreign countries in Aeronautical defence and security is perceived by some observers as one of the most corrupt business sectors in industry. Corruption is a major obstacle to international business.

It is against the law in the United Kingdom and other jurisdictions and, in breach of BII policy, to promise, offer to, or accept from anyone, a bribe, favour, facilitation payment or gift 'in kind' or similar incentive to gain business advantage. BII has in place effective procedures to mitigate the risk of involvement in bribery.

9.2 Employee and Contractor Responsibility

Employees and contractors have individual responsibility for ensuring that company policies are followed and that:

- Promising to give or receive a bribe, or gift 'in kind' to a public official or private person is not allowed or tolerated
- Participating in corrupt activity to secure or retain any business on behalf of BII

Offering or making facilitation payments is not allowed or tolerated.



10. Business Representatives

10.1 High Ethical Standards

BII only does business with those representatives who meet our high ethical standards. The company does not employ individuals or companies who are shown to operate in any way that fails to meet our standards as set out in the BII Code of Conduct.

Business representatives are responsible for complying with all applicable BII policies and procedures and for notifying the company in the case of a suspected policy breach. BII requires all third party representatives to sign up to compliance with the BII code of Conduct and particularly Clause 8.1 relating to Bribery and Corruption.

10.2 Responsible Management

Employees and others responsible for the management of business representatives (including but not limited to Agents, Advisers, Consultants, Distributors and Resellers and any other intermediary appointed and acting on behalf of BII) must ensure that such representatives are compliant in their contracts and actions with the BII Code of Conduct and related policies, particularly in relation to not bribing to obtain or retain business advantage.

10.3 BII Guidance and Procedures

Business representatives should seek guidance from their BII contact if they have a query relating to what is acceptable ethical behaviour when engaged by or working on behalf of BII.

Company policy, process and procedures relating to the appointment and management of business representatives are subject to regular audit.

Unacceptable Behaviour:

- Giving, receiving, promising to give or agreeing to receive a bribe or participating in any corrupt activity to secure or retain business on behalf of BII
- Failing to report and escalate ethical risks and issues relating to your relationship with a business representative
- Failing to meet targets and objectives without due reason
- Failure to provide or respond to reasonable requests for updates related to your responsibilities
- Offering facilitation payments to public officials on behalf of the company



11. Suppliers

11.1 Suppliers Standards and Procedures

It is the policy of BII to select suppliers on a competitive basis. BII only does business with those suppliers who meet our high standards. The company does not engage with suppliers that are shown to operate in a way that fails to meet our standards as set out in this BII Code of Conduct.

11.2 Terms and Conditions Compliance

BII has in place effective procedures to prevent risk and compliance clauses included in terms & Conditions/Contracts.

Employees, temporary staff and contractors have an individual responsibility for ensuring that BII's policies, procedures and terms of conditions are followed and that any supplier issues, including a breach of business ethics are notified to the appropriate senior manager.

Suppliers are requested to respect our key principles and Values when dealing with us and to notify the company in the case of a suspected breach of the Code.

11.3 Supplier Queries

Suppliers should seek guidance from their main BII contact if they have a query relating to what is acceptable ethical behaviour when dealing with us.

11.4 Acceptable Processes and Procedures

Company policy, process and procedures relating to the appointment and management of suppliers are subject to regular audit.

Acceptable

Justified promotional expenditure

Proportionate expenditure on hospitality and entertainment

Accurate keeping of receipts/accounts in relation to gifts hospitality given to BII employees or contractors

Unacceptable

Giving, receiving, promising to give or agreeing to receive a bribe or participating in any corrupt activity to secure or retain business with BII

Unauthorised or excessive expenditure on entertaining BII employees or contractors

No records of gifts and hospitality offered to BII employees or contractors



12. Joint Ventures

12.1 Principles and Values

BII requires those organisations it deals with to adopt the same key principles and Values as those set out in the BII Code of Conduct or similar.

12.2 Due Diligence Procedures

BII would put in place effective due diligence procedures to ensure joint venture partners are selected on the basis that they represent both commercial opportunity and a good fit with our positive ethical culture.

12.3 Compliance

Joint venture partners and organisations that we team with are expected TO ACT IN FULL COMPLIANCE WITH THE BII Code of Conduct (or their own code of an equivalent nature) and to notify the company in the case of a suspected breach of the Code.

12.4 Guidance

Joint venture partners should seek guidance from their main BII contact if they have any query relating to what is acceptable ethical behaviour when dealing with us.



13. Enforcement

13.1 Compliance Monitoring

Identifying potential risks is key to protecting the company from reputation damage, financial loss and business disruption. BII shall have strict compliance procedures which will be regularly audited.

It is in the interests of BII and its shareholders to expect and encourage people to:

- **Work within the BII Code of Conduct**
- **Consult with a BII colleague or their line manager to identify and resolve ethical matters**
- **Always report unethical behaviour**

Compliance monitoring helps identify where a suspected policy breach is inadvertent or may be deliberate/criminal. Compliance monitoring is the responsibility of all employees and business representatives of BII, who need to be mindful at all times of ensuring that their behaviour is compliant with this BII Code of Conduct.

13.2 Fraud and Related Crimes

BII has a duty to provide the policies and procedures to enable people to comply with the law when working with/for us.

BII has the obligation and the right to enforce its policies and mitigate the risk of criminal behaviour, by investigating alleged compliance breaches and applying sanctions where necessary. The company has a duty to disclose details of legal breaches, such as money laundering or bribery, to the appropriate authorities where necessary.

Unacceptable behaviour:

- **Using unlicensed, illegal copies or 'cracked' proprietary software**
- **Making false declarations**
- **Forging someone's signature**
- **Illicit logging in with someone else's ID/passwords**

13.3 Record Keeping

The keeping of appropriate and accurate records of all business transactions is important to the compliance process. Employees and business representatives must keep books, records and accounts which, in reasonable detail, accurately reflect their business transactions and dealings with and on behalf of BII.



13.4 Accounting Transparency

A system of effective internal accounting controls is in place to provide the management of BII with reasonable assurance that compliance with the BII Code of Conduct, financial statements and related BII policies is properly documented.

Employees of BII with a role in finance or accounting are responsible for:

- **Accurate and detailed record keeping**
- **Exercising prudence in assessing risk or asset valuations**
- **Documenting the assumptions on which risk based decisions have been made**

Employees have a duty to report any material omission, falsification or irregularity they identify. Failure to report will result in disciplinary action being taken. Employees should contact their line manager to report, in confidence, any suspected case of money laundering.



14. Investigations and Sanctions

14.1 Unethical Behaviour

Any issue relating to unethical behaviour, by someone to whom the BII Code of Conduct applies will be dealt with either as a training need or disciplinary matter and formally recorded in the Agents or employees records.

14.2 Fraud/Related Crime

Where a case of potential fraud/related crime against the company has been identified by BII, an internal investigation will be conducted by the Managing Director. The internal investigation helps to determine whether a suspected case of policy breach is:

- An actual breach
- A risk/not a risk
- Inadvertent or deliberate

Reported fraud will be referred to the Board, which checks that processes and controls are in place and decides whether to refer the matter to the police authorities.

14.3 Sanctions

Any employee who is found to have behaved in a way that is in breach of the BII Code of Conduct may face disciplinary action or criminal investigation.

If it can be proven that a breach was wholly inadvertent on the part of the employee and the consequence of that breach is deemed to present minimal ethical risk to the company, BII will seek to provide additional training and support to help the employee avoid any breaches in future.

Cases of serious or deliberate policy breach will result in disciplinary action and/or dismissal. Criminal behaviour will always be reported to the appropriate investigating authorities.

Managers have a specific role to play in enforcing sanctions that are instigated as a result of an internal investigation relating to unethical behaviour.

Business representatives, suppliers, agents or joint venture partners may face termination of their agreement to represent or work with us.