

Code of Conudct
ARROWXL LIMITED

CODE OF CONDUCT FOR THE SUPPLY OF GOODS AND SERVICES

Introduction

This document deals with the standards of conduct and behaviour which we see as fundamental in our procurement of goods and services. It explains our requirements regarding ethical standards, and although our dealings with suppliers often take place in cultures which are different from our own and have a different set of norms and values which we respect, certain standards are universally valid and must apply to all our commercial activities.

In general, all goods and services procured by Arrow XL must be produced and provided in conformity with the UN Charter, Chapter IX, Article 55, governing international economic and social co-operation with specific reference to workers' rights and working conditions.

More specifically, this Code adopts the following principles: -

1. Supplier Relationships

(i) Principles

We seek to develop long-term business relationships with our suppliers who should have a natural respect for our ethical standards in the context of their own particular culture. Our relationships with suppliers are based on the principle of fair, open and honest dealings at all times. We require our suppliers to extend the same principle to all those with whom they do business, including employees, subcontractors and other third parties.

(ii) Communication

Where applicable, we require suppliers to translate the principles of our Code of Conduct into appropriate language(s) and to communicate them throughout their business and supply chains.

2. Employment Conditions

We have specific requirements relating to employment conditions based on a fundamental respect for human rights.

(i) Forced Labour

We will not tolerate forced, compulsory or trafficked labour, bonded labour or labour which involves physical or mental abuse. This means that suppliers must not use or threaten workers with any physical punishment, verbal or sexual harassment, or dominate or restrain workers by force, authority or threats. Workers must not be required to lodge "deposits" or identity papers with their employer, and they must be free to leave their

employer, and they must be free to leave their employer after reasonable notice.

(ii) Child Labour

Exploitation of child labour is unacceptable under any circumstances. Suppliers must not employ any person under the minimum legal working age applicable to their country, and under no circumstances must they employ anybody under the age of 14 years.

(iii) Remuneration

Wages and benefits paid for a standard week must meet as a minimum, local legal standards or industry benchmark standards, whichever are the higher. For the avoidance of doubt, this means that workers in the UK must be paid no less than the current national minimum wage (including national living wage where applicable). In any event wages should always be enough to meet basic needs and provide some discretionary income. All workers must be provided with written, understandable information about their employment conditions and wages before they enter employment, including particulars of their wages for the pay period concerned each time that they are paid. Deductions from wages as a disciplinary measure shall not be permitted, nor shall deductions from wages not provided for by national law without the express permission of the worker concerned. All disciplinary measures should be recorded and available for review by all concerned parties.

(iv) Freedom of Association and the Right to Collective Bargaining

Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively. The supplier will adopt an open attitude towards the activities of trade unions and their organisational activities. Workers' representatives must not be discriminated against and must have access to carry out their representative functions in the workplace. Where the right to freedom of association and collective bargaining is restricted under law, the supplier will facilitate and not hinder development of parallel means for independent and free association and bargaining.

(v) Discrimination

Suppliers must not discriminate in hiring, compensating, access to training, promotion, termination or retirement based on race, caste, national origin, colour, religion, age, disability, gender, sexual orientation, union membership or political affiliation.

(vi) First Aid

All suppliers must provide adequate provision for first aid and must ensure that formally qualified personnel are available at all times.

(vii) Working Hours

Working hours must comply with national laws and benchmark industry standards, whichever affords the greater protection.

(viii) Regular Employment

Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour only contracting, subcontracting, or home working arrangements. Equally, obligations must not be avoided through the use of apprenticeship or intern schemes where there is no real intent to import skills or provide regular employment, nor shall any obligations be avoided through the excessive use of fixed term contracts of employment.

(ix) Working conditions

Suppliers must ensure that they abide by all local laws relating to health and safety in the workplace and residentially where facilities are provided. It is imperative that any amendments to these laws are implemented immediately and that all standards of health and safety are maintained at the forefront of local custom and practice or to benchmark industry standards, whichever affords the greater protection.

A safe and hygienic working environment must be provided.

Adequate steps must be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practical, the causes of hazards inherent in the working environment. Workers must receive regular and recorded health and safety training, and such training must be repeated for new or reassigned workers.

Access to clean toilet facilities and to potable water, and if appropriate, sanitary facilities for food storage must be provided. Accommodation where provided, must be located separately from the workplace, be clean, safe and meet the basic needs of the workers. Responsibility for the observation of this Code with regard to health and safety must be assigned to a senior management representative.

3. Environment

Suppliers are expected to adhere to all local laws with respect to protection of the environment. It is a joint responsibility of Arrow XL and our suppliers to actively work to improve the environment and to proactively pursue any local initiatives that bring about that improvement.

4. Disclosure and Inspection

We require suppliers to make full disclosure of all facts and circumstances concerning production, use of subcontractors and the use of other third parties. We hold you entirely responsible for compliance with this Code and monitoring it is an integral part of the day-to-day management process.

If any supplier is found to be in breach of this Code of Conduct and is not prepared to take corrective action, we will not hesitate to end our business relationship including the right to cancel any outstanding orders without payment of compensation.

The provisions of this Code constitute minimum and not maximum standards, and this Code should not be used to prevent suppliers from exceeding these standards. Suppliers applying this Code are expected to comply with national and other applicable law, and where the provisions of law and this Code address the same subject, to apply that provision which affords the greater employee protection.

5. Bribery and Corruption

We have a zero-tolerance approach to bribery and corruption in all our dealings with suppliers. We therefore expect our suppliers to comply with all applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption including but not limited to the UK Bribery Act 2010. Such compliance should include but not be limited to the following:

- A clear statement to all your employees that they are not permitted to pay a bribe or make facilitation payments or other cash payments to government officials to secure or speed up processing of official business;
- The requirement to make charitable and/or sponsorship contributions should not form part of contract negotiations;
- We expect that our suppliers, their owners and senior management have not been involved previously in bribery and corruption related matters;
- All your employees are made aware of relevant anti-bribery and anti-corruption legislation.

We expect you to:

- Promptly report to us any request or demand for any undue financial or other advantage of any kind which you receive in connection with your dealings with us;
- Immediately notify us in writing if any of your officers or employees is or becomes a foreign public official, or if any foreign public official acquires a direct or indirect interest in your organisation;
- Certify to us in writing signed by a director, on an annual basis, compliance with this paragraph 5 and with all applicable laws, statutes, regulations and codes relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act 2010 ("Relevant Requirements"), by your organisation and all persons associated with it

(being persons who perform services for or on behalf of your organisation), and to provide such supporting evidence of compliance as we may reasonably request;

- 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 United Kingdom;
- Have, maintain in place and enforce appropriate policies and procedures, including adequate procedures under the Bribery Act 2010, to ensure compliance with the Relevant Requirements and this Code of Conduct;
- Ensure that any person associated with your organisation who is performing services, or providing goods, in connection with your dealings with us, does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on your organisation in this paragraph 5 ("**Relevant Terms**"). You shall be responsible for the observance and performance by such persons of the Relevant Terms, and shall be directly liable to us for any breach by such persons of any of the Relevant Terms.

6. Anti-Slavery and Human Trafficking

(i) Policy Statement

We expect our suppliers to read and act in accordance with our modern slavery statement as set out on our website from time to time ("**Modern Slavery Statement**").

(ii) Reporting and Audits

We expect our suppliers to:

- Maintain a complete set of records to trace the supply chain of all goods and services provided to us;
- Prepare and deliver to us an annual slavery and human trafficking report, setting out the steps it has taken to ensure that slavery and human trafficking is not taking place in any of its supply chains or in any part of its business;
- Comply in full with the Modern Slavery Act 2010 regardless of the size of the supplier's organisation;
- Implement annual supplier and subcontractor audits to monitor levels of risk of slavery and human-trafficking and take action accordingly;
- Comply with such self-certification and/or audit requirements as may be reasonably required by us from time to time.

(iii) Training

We expect our suppliers to implement a system of training for their employees, suppliers and subcontractors, to ensure compliance with this Code. Suppliers shall keep a record of all training offered and completed by their employees, suppliers and subcontractors and shall make a copy of the record available to us on request.

(iv) No Detriment

We expect our suppliers to implement systems designed to ensure that their employees, suppliers and subcontractors are encouraged to raise concerns about any issue or suspicion of modern slavery in any part of their business or supply chain, at the earliest possible stage.

As part of such policies, suppliers must ensure that nobody suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of their business or supply chains. For these purposes, detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern.

CODE OF CONDUCT ON GIFTS AND ENTERTAINING

The following guidelines are intended to provide both employees and suppliers with clear direction to ensure their compliance with the Code.

1. As a basic principle, any transaction resulting from a business relationship and designed to achieve personal gain to a member of staff or their family is expressly forbidden.
2. All employees are forbidden to accept gifts from suppliers. This Policy will not apply to small promotional items with a nominal value such as pens, calendars or diaries.
3. The following types of payment are strictly prohibited:
 - (a) Payments to subsidise private events or activities.
 - (b) Payment of an employee's normal business travel and accommodation expenses.
 - (c) Payment of travel and accommodation expenses for family members.
 - (d) Cash inducements.
4. Any goods or services provided by a supplier or contractor at less than their commercial value must be through a company approved purchase scheme open to all staff.
5. The following types of hospitality may not be offered or accepted:
 - (a) Tickets for any function at which the donor is not present.
 - (b) Any type or level of entertainment which is outside the bounds of accepted business hospitality.
 - (c) Extension of business trips for leisure purposes paid for by the host.
 - (d) Use of donor's property.
 - (e) Visits to any location which does not have a genuine business purpose. The only exceptions are modest hospitality such as business lunches which are viewed as a courtesy of a business relationship and which, at some point, where practical should be reciprocated.
6. Employees must not be entered for any competition run, administered or in any way controlled by a supplier.

The supplier acknowledges that it has read, understood and will comply with the Arrow XL Code of Conduct for the Supply of Goods and Services and on Gifts and Entertaining and that: -

(1) Neither the supplier nor any person, organisation or company acting on its behalf will offer or give any benefit to any employee of Arrow XL or their family.

(2) The supplier and any other person, organisation or company acting on its behalf, will comply with all relevant principles and rules contained in the Arrow XL Code of Conduct for the Supply of Goods and Services and on Gifts and Entertaining.

(3) Neither the supplier nor any other person, organisation or company acting on its behalf, has any personal connection which may materially influence transactions.

(4) In the event of failure to comply with the aforementioned procedure, Arrow XL will be entitled forthwith to terminate all contractual relationships with the supplier without payment of compensation and that in such circumstances all rights of Arrow XL will be reserved.