

NSK EUROPE

ANTI-BRIBERY AND CORRUPTION POLICY

NSK Europe Limited

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MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

NSK is committed to operating to the highest standards - **Quality No.1**; not only in terms of our products and engineering, but also in our behaviour - the way we interact with our colleagues, customers, partners and the wider world.

We operate a zero-tolerance approach to bribery. Any type of bribery is strictly prohibited whether committed by employees or anyone else acting on NSK Europe's behalf.

Compliance with anti-bribery and corruption laws is more than a legal requirement; it is core to the Principles set out in our [Code of Ethics](#). We expect each of us within NSK to uphold the standards set out in this Policy as well as the Code of Ethics to ensure we operate ethically and legally, in everything we do, wherever we are.

Breaches of bribery and corruption laws, even unintentional ones, can have severe consequences for NSK and for employees and, as a result, there are fundamental rules that NSK employees are required to know and follow. It is essential that you are able to identify situations where bribery and corruption risks may arise and when and how to seek guidance.

It is essential that you read this policy carefully and comply fully with our anti-bribery and corruption rules at all times. If you are unsure of how to act in a situation, or if you know of, or suspect any infringement by anyone connected to NSK Europe, please contact the Legal & Compliance Department or report to the confidential [Ethics Line](#) (anonymously if you wish, where your law permits).

Dr Ulrich Nass
Chief Executive Officer
NSK Europe Limited

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1. INTRODUCTION

- 1.1 This Anti-Bribery & Corruption Policy (the “Policy”) explains the standards and behaviour required of all employees working for the NSK Europe Group (including all subsidiaries and affiliated companies) or acting on our behalf in any capacity.
- 1.2 We take a zero-tolerance approach to bribery and corruption and are committed to undertaking business fairly, honestly and with transparency at all times. This is reflected within the principles of our [Code of Ethics](#) and we expect everyone at NSK to uphold these standards to ensure we operate ethically and legally, in everything we do, wherever in the world we operate.
- 1.3 We will uphold all laws relevant to bribery and corruption, in every jurisdiction in which we operate, however, we remain bound by UK laws, not just in the UK, but worldwide. In this Policy, references to the law mean the UK Bribery Act 2010 (the “Act”) which not only applies to NSK Europe Ltd and all of its group companies, including subsidiaries and European affiliated companies (“NSK Europe”) but also to its globally affiliated companies (see below).
- 1.4 The purpose of this Policy is to:
- (a) set out our responsibilities, and the responsibilities of those working for and on our behalf, to prevent any bribery and corruption; and
 - (b) provide clear information and guidance on how to recognise and deal with bribery and corruption issues.

2. WHO MUST COMPLY WITH THIS POLICY?

- 2.1 This Policy applies to:
- 2.1.1 all persons working for us, or on our behalf, including any of our subsidiaries and affiliated companies, including all employees, directors, officers, agency and contract workers, seconded personnel (e.g. Japanese Delegates), volunteers and interns, not just those based or operating in the UK (“Employees”); and
- 2.1.2 all third parties such as distributors, agents, representatives, suppliers, intermediaries, contractors and consultants who act on behalf of NSK Europe in any capacity (“Third Parties”). Other NSK Group companies which act on behalf of NSK Europe could also be considered to be a Third Party (e.g. if they arrange purchasing contracts on behalf of NSK Europe).
- 2.2 It is the responsibility of all Employees who engage any such Third Parties to ensure that the standards of this Policy are set out to the Third Parties at the beginning of the business relationship.

3. YOUR RESPONSIBILITIES

- 3.1 You must ensure that you read, understand, and comply with this Policy.
- 3.2 You must ensure that arrangements made with Third Parties are subject to written contractual terms that are checked by the Legal Risk & Compliance Department so it can be ensured that they contain specific provisions that require the Third Parties to comply with NSK Europe's standards and procedures relating to anti-bribery and corruption.
- 3.3 If you have reason to believe or suspect that an instance of bribery or corruption has occurred or could occur, you must report your concern (see section 8).

4. WHAT IS BRIBERY?

- 4.1 Bribery is any financial or other reward ("anything of value") made with the intention to encourage someone to misuse their position, act improperly or to obtain or retain an unfair business advantage.
- 4.2 Bribery includes offering, promising, giving, accepting, receiving, or seeking a bribe. An offence may be committed even if no money (or anything of value) actually changes hands.

Anything of Value

Bribes may take many forms such as cash, gift cards or vouchers, loans, discounts or kickbacks, gifts, entertainment & hospitality (e.g. meals, event tickets, use of holiday homes, etc.), travel (e.g. airfare or accommodation), goods, services or merchandise, special favours such as educational or employment opportunities for you, friends or relatives, stock options, the award of a contract or other advantage or benefit, donations to designated charities, personal services.

Who is a Government Official?

Government or public officials may include officers, employees and representatives of:

- government, regulatory agencies, departments or other public bodies such as universities or royal households.
- any political office, political party or a candidate for political office
- public international organisations.
- local city or regional councils or authorities.
- law enforcement agencies.
- state-owned enterprise (e.g. a state owned airline, utility or oil company).

5. FACILITATION PAYMENTS

- 5.1 A facilitation payment (also known as "back-handers", "grease payments", "Schmiergeld" or "bakshish") is typically a small unofficial payment, often paid in cash, to a **Government Official** to secure or speed up a routine or necessary action which you are already entitled to. It is NSK Europe's general policy **not** to make facilitation payments of any kind (but please see section 5.4).

- 5.2 Facilitation payments are **illegal** under the UK Bribery Act and NSK Europe would be in breach of the law if a facilitation payment was made on its behalf.
- 5.3 You must avoid any activity that may lead to a facilitation payment. The only exception is if you sincerely feel that refusing to pay could jeopardise your personal safety.
- 5.4 In order for you to manage a situation where you have been asked to make a facilitation payments, we recommend you take the following four steps; **Research, Resist, Record and Report:**

Types of Facilitation Payments

- “Dodging” a speeding penalty by making an extra payment.
- Having a visa processed more quickly by paying more than the visa fee.
- Offering additional payment to expedite customs clearance.

Research	<ul style="list-style-type: none"> - Local laws prior to your business trip; - What authorisations and/or permits are required for the trip? By knowing the official requirements, it will make it easier to resist an inappropriate request.
Resist	<p>If it is safe to do so:</p> <ul style="list-style-type: none"> - Ask for proof of payment. - If that fails, politely decline a payment, explaining it is against NSK’s company policy and UK law <i>“you are not allowed to make any payments without supporting evidence”</i>. <p>If having resisted, payment appears unavoidable:</p> <ul style="list-style-type: none"> - Attempt to pay as little as possible - Try to avoid making a cash payment
Record	<ul style="list-style-type: none"> - All payments you have had to make. - Make a full note of the request, the circumstances and, where possible, the parties involved and any witnesses.
Report	<ul style="list-style-type: none"> - Report to your Manager and the Legal & Compliance Department without delay. - Ensure payment is recorded in the expenses system, with a clear explanation of the circumstances.

- 5.5 Please note that if you are put in a position where you are concerned about your personal health or safety or that of any fellow travellers then it is justified for you to make payment. However, in this case, please record and report the incident as advised above.

6. BRIBERY RISKS RELATING TO THIRD PARTIES

- 6.1 NSK Europe may be liable for the actions of Third Parties if they offer or pay a bribe to anyone whilst they act on behalf of NSK Europe and, therefore, this Policy prohibits that NSK Europe’s Third Parties pay any such bribes or facilitation payments. It is a violation of this Policy to ignore warning signs suggesting that a Third

Party's activities may have included making inappropriate payments. Ignoring, or turning a blind eye to, such behaviour is no defence.

- 6.2 To protect NSK and promote compliance, NSK operates a risk-based Third Party anti-corruption due-diligence programme and, therefore, certain Third parties deemed to be higher-risk will require anti-corruption due-diligence checks to be completed before they are engaged and ongoing monitoring.

7. GIFTS AND HOSPITALITY

- 7.1 NSK recognises that the exchange of modest gifts and hospitality can be important in establishing or maintaining good business relationships. However, improper or excessive gifts and hospitality have the potential to be deemed a bribe or be perceived as one.

- 7.2 A gift or hospitality could be deemed a bribe if they could influence, or appear to influence, an Employee's business decision making. Therefore, we all must take

Before offering or accepting any gift or hospitality, ensure that it is:

- given in good faith, without expecting any return favour or improper influence, benefit or business advantage
- for a legitimate business purpose
- reasonable (in terms of nature and value) and customary, meaning consistent with generally accepted standards for professional courtesy and is appropriate in the circumstances
- not unduly lavish or extravagant
- provided openly and transparently and never sent to a private address
- given infrequently without creating the appearance of impropriety
- allowed under local laws and regulations
- given in NSK's name, never in your name
- not cash or a cash equivalent (such as gift vouchers, personal cheques)
- never offered to any government official (see definition above)

special care when offering or accepting gifts and hospitality and ensure they are reasonable and justifiable in the circumstances.

- 7.3 It is never acceptable to give or receive any kind of gift or hospitality in order to improperly influence a customer or Third Party, or as a reward, inducement or encouragement for preferential treatment or inappropriate or dishonest conduct.
- 7.4 In addition, Employees should not, without prior written approval of a Senior Manager, offer or accept gifts or hospitality during a tender process or during contractual negotiations as this may create, or appear to create, a favoured position, or be seen as a Bribe. For guidance on offering, or being offered, gifts or hospitality, Employees should refer to [NSK Europe's Gifts & Hospitality Policy](#).

8. HOW TO RAISE A CONCERN

- 8.1 If you are unsure whether something may constitute bribery or corruption, or if you have any concerns or queries about any issue or suspicion of malpractice, it is important that you report it at the earliest possible stage.

Who to contact if I need to ask a question or raise a concern?

- Your normal line management channels (e.g. supervisor, line manager or a senior manager);
- Your local HR Department;
- [Legal & Compliance Department](#); or
- If you wish to report an issue, you can do so anonymously (where your law permits) through the confidential [Ethics Line](#).

9. PROTECTION AND SUPPORT

- 9.1 NSK encourages openness and will support anyone who raises genuine concerns in good faith under this Policy. We operate a zero-tolerance approach to any type of victimisation or retaliation and are committed to ensuring no one suffers any detrimental treatment for reporting a concern regarding bribery or corruption.

10. RECORD KEEPING

- 10.1 In addition to declaring all gifts or hospitality accepted or offered, all accounts, invoices and other documents and records relating to dealings with Third Parties should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal any potentially improper payments.

11. COMMUNICATION AND TRAINING

- 11.1 Our zero-tolerance approach to bribery and corruption must be communicated to Third Parties at the outset of a business relationship with them and regularly as appropriate thereafter.
- 11.2 We will provide guidance and/or training on this Policy as part of the induction process for all new Employees. All existing Employees will also receive regular, relevant training on how to implement and adhere to this Policy, appropriate to the risks which they face.

Associated Documents

The following documents should be referred to in conjunction with this Policy:

- [NSK Europe's Code of Ethics](#);
- [Travel & Expenses Policy](#);
- [Gifts & Hospitality Policy](#); and
- [Speak Up Policy](#)

12. BREACHES OF THIS POLICY

- 12.1 Any Employee who breaches this Policy may face disciplinary action, which could result in dismissal for gross misconduct. In addition, we reserve our right to terminate our contractual relationship with Third Parties who breach this Policy.

APPENDIX 1 - POTENTIAL RISK SCENARIOS: "RED FLAGS"

The following is a list of possible "**Red Flags**" which may raise concerns about bribery, corruption or ethical issues.
(The list is not intended to be exhaustive and is for illustrative purposes only).

If you encounter any of these red flags while working for NSK, you must report them promptly:

- (a) you become aware that a Third Party engages in, or has been accused of engaging in, improper business practices;
- (b) 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;
- (c) a Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with NSK, or carrying out a government function or process for us;
- (d) 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;
- (e) a Third Party requests that payment is made to a country or geographic location different from where the Third Party resides or conducts business;
- (f) a Third Party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a Third Party demands, requests, or expects lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a Third Party requests that a payment is made to "overlook" potential legal violations;
- (i) a Third Party requests that NSK provides employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a Third Party that appears to be non-standard or customised;
- (k) a Third Party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) 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;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a Third Party; or
- (o) a colleague is offered or has accepted an unusually generous gift or hospitality and has not reported this.