



WATCHES OF SWITZERLAND GROUP PLC
WATCHES OF SWITZERLAND OPERATIONS LIMITED
WATCHES OF SWITZERLAND COMPANY LIMITED

ANTI-BRIBERY AND CORRUPTION
POLICY (THE "POLICY"):
WATCHES OF SWITZERLAND GROUP PLC AND
THE WATCHES OF SWITZERLAND GROUP
(THE "COMPANY" OR THE "GROUP")

ANTI-BRIBERY AND CORRUPTION POLICY (THE “POLICY”): WATCHES OF SWITZERLAND GROUP PLC AND THE WATCHES OF SWITZERLAND GROUP (THE “COMPANY” OR THE “GROUP”)

PURPOSE AND SCOPE OF THE POLICY

This Policy sets out what we must all do to help prevent bribery in all its forms.

We recognise that market practice varies across the territories in which the Watches of Switzerland Group does business and therefore what is normal and accepted in one place may not be accepted in another. However, we are fully committed to complying with our obligations under applicable legislation, including the Bribery Act 2010 (the “Act”), and ensuring that no bribes or corrupt payments are made, offered, sought or obtained by anyone acting on our behalf, to anyone, anywhere in the world.

The Policy is mandatory and covers all employees, officers, consultants, contractors, casual workers and agency workers. Any third parties working on behalf of the Watches of Switzerland Group are also asked to comply with the Policy.

The Policy does not form part of your contract of employment.

WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to improperly gain any commercial, contractual, regulatory or personal advantage, which may constitute an offence under the Act, namely:

- giving or offering a bribe;
- receiving or requesting a bribe; or
- bribing a foreign public official.

Bribery does not have to involve cash or an actual payment exchanging hands and can take many forms such as a gift, lavish treatment during a business trip or tickets to an event.

The Group may also be liable under the Act if it fails to prevent bribery by an associated person (including, but not limited to employees and other workers) for the Group’s benefit.

PROHIBITED CONDUCT

The following are examples of conduct that are prohibited under the Policy:

- making unofficial payments to officials in order to obtain any permission, permit or stamp particularly in connection with importing or exporting goods;
- appointing any third party or supplier to act on behalf of the Group who you know or have good reason to believe to have engaged in any corrupt or unlawful conduct including any offences under the Act; or
- paying any third party for the purposes of being a ‘fixer’ to open doors and make connections for us overseas.

It is important to note that the above examples are non-exhaustive. Any other similarly corrupt behaviour is also prohibited.

GIFTS AND HOSPITALITY

The Policy does not prohibit normal and appropriate gifts and hospitality (given and received) to or from third parties unless otherwise specifically stated.

Any gift or hospitality:

- must not be made with the intention of improperly influencing a third party or worker to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- must comply with local law in all relevant countries;
- must be given in the name of the organisation, not in an individual's name;
- must not include cash or a cash equivalent;
- must be appropriate in the circumstances;
- must be of an appropriate type and value and given at an appropriate time taking into account the reason for the gift;
- must be given openly, not secretly; and
- in the case of gifts, they must not be offered to, or accepted from, government officials or representatives, politicians or political parties, without the prior approval of the Group's General Counsel.

The Company appreciates that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The intention behind the gift should always be considered.

APPROVAL AND REGISTERING OF GIFTS AND HOSPITALITY

For employees based in the United Kingdom, line manager approval must be obtained before accepting any gift of up to £50 in value.

The approval of the relevant Head of Department or National Sales Manager (as appropriate) must be obtained before accepting any gift that exceeds £50 in value. This also applies to the situation where an employee receives a number of gifts over a rolling twelve month period from a single individual, family or organisation, which each have a value that is below £50, but whose cumulative value exceeds that threshold.

If the value of a single gift (or the cumulative value of gifts over a rolling twelve month period, as above) exceeds £100, the approval of the relevant Director must be obtained before accepting the gift.

Where the receipt of any gift (or series of gifts over a year) with a value of over £50 is approved, the details must be recorded in the Group's register of gifts and hospitality, which is maintained by the Executive Assistant to the Chief Executive Officer.

If an employee is offered any corporate hospitality, to whatever value, the approval of the relevant Director must be obtained before the hospitality is accepted. For the avoidance of doubt, this does not include lunches with suppliers or other contacts in the normal course of business. However, it does include supplier visits abroad.

Directors may at their discretion accept gifts valued at up to £100, but the gift needs to be included on the register of gifts and hospitality. Any gifts with a value in excess of the relevant threshold, or any corporate hospitality, must be approved by an Executive Director, and also entered on the register. Executive Directors in this situation must obtain the approval of a Board Director.

Any gifts or hospitality to the value of £50 or more for the benefit of the Chief Executive Officer or Chief Financial Officer must be logged on the register. These entries will be reviewed annually by the Group's Remuneration Committee.

FACILITATION PAYMENTS

Facilitation payments ('facilitating', 'speed' 'back-hander' or 'grease' payments) are any payments, usually small cash payments made to low-level officials, as a bribe to secure or expedite the performance of a routine or necessary action or level of service.

The Group's employees or related third parties must never offer, pay, solicit or accept bribes in any form, including facilitation payments.

SUPPLIERS AND PARTNERS DUE DILIGENCE

Where there is a significant bribery risk all areas of the business must consult with the Group's General Counsel in relation to appropriate anti bribery compliance measures before:

- appointing a new supplier;
- entering into a partnership;
- appointing an agent to work on the Company's behalf; and
- entering into a new contract or amending the terms of an existing contract.

POLITICAL AND CHARITABLE DONATIONS

The Company does not make contributions or donations to political organisations or independent candidates, nor does it incur any political expenditure. We respect the right of individual employees to make personal contributions, provided they are not made in any way to obtain advantage in a business transaction.

Charitable contributions may only be given to recognised non-profit charitable organisations.

All donations must be:

- transparent and properly recorded in our books and records;
- receipted or have a letter of acknowledgement from the charity to ensure that the donations receive the proper tax treatment; and
- compliant with local law, regulations or local or internal policies.

FAILURE TO COMPLY

We take compliance with this policy very seriously. Any failure to comply would put both you and the business at risk. Any employee who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct. We reserve the right to terminate our contractual relationship with non-employee workers (e.g. contractors) if they breach the Policy.

You may commit a criminal offence if you fail to comply with this policy. The criminal law relating to bribery and corruption carries severe penalties.

WHO IS RESPONSIBLE FOR THE POLICY?

The Board has overall responsibility for this Policy. The chair of the Audit Committee will review arrangements relating to the Policy. They will monitor it regularly to make sure it is being adhered to. The Audit Committee Chairman will report regularly to the Board on compliance with the Policy. The Group's General Counsel has day to day responsibility for the Policy and will report both to the chair of the Audit Committee and to the Board as required.

WHAT YOU MUST DO

If you are ever in doubt about a situation with which you are presented, always seek advice from the Group's General Counsel and/or Executive Director, Human Resources.

HOW TO REPORT SUSPICIONS

- a) Line manager: In the first instance, you should consider raising your concerns with your line manager. He/she has a responsibility to listen and respond to any matter that is of concern to you. Concerns can be raised verbally or in writing. Your line manager will determine whether he/she is able to investigate the concern directly, keeping the Group's General Counsel updated, if appropriate, as to progress and its conclusion.
- b) Senior manager: If your line manager is unable to resolve the issue locally, he/she will escalate the concern to the Group's General Counsel, who will manage your concern in accordance with the principles and processes applicable to an independent internal individual.
- c) Independent internal audit: in appropriate cases, particularly any situation that is particularly serious, or that may have very significant ramifications for the Group, the Group's General Counsel will escalate the matter further, to the Board's Audit Committee. This committee will review the issue in detail and ensure that all and any necessary actions are taken.

It may be appropriate for the Group's General Counsel to make external notifications such as to the Serious Fraud Office.

RED FLAGS

Potential issues which call for further vigilance and/or investigation include:

- the prevalence of bribery in a country that has a nexus with the particular transaction or relationship (third party is located in such country or the transaction involves such country);
- payments of unusually high fees or commissions;
- requests for cash payments or requests for unexpected payments related to government approvals;
- requests for payments to different companies or through different countries;
- undefined or unreported payments to third parties made on the Group's behalf;
- transactions with no written agreements;
- unusually close relationships with government officials; or
- a refusal to certify compliance with this Policy.

RECORD KEEPING

The Company keep appropriate financial records and have appropriate internal controls in place which evidence the business reason for gifts, hospitality and payments made and received.

EXCEPTIONAL CIRCUMSTANCES

In some circumstances a payment is justifiable:

- If one of our people is faced with a threat to their personal safety or that of another person if a payment is not made, they should pay it without fear of recrimination. In such cases the Group's General Counsel must be contacted as soon as possible, and the payment and the circumstances in which it was made must be fully documented and reported. The Group's General Counsel will consider carefully whether to involve the police.
- Such cases will be rare. All our people visiting regions where these cases are more common should familiarise themselves, prior to travel, with current guidance relating to those countries. For general information on travelling to a particular country, please consult the latest information from the UK Government.

TRAINING

All staff will receive training on this and related policies. New joiners will receive training as part of the induction process. Further training will be provided at least every two years or whenever there is a substantial change in the law or our policy and procedure.

USEFUL CONTACT DETAILS

WATCHES OF SWITZERLAND

Paul Eardley – Company Secretary and Group Counsel	+44 (0)207 317 4600 p.eardley@thewosgroup.com
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Laura Battley Company Secretary	+44 (0) 7824 586251 l.battley@thewosgroup.com

EXTERNAL

Safecall – Whistleblowing hotline	0800 915 1571
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