

Northern Ireland Electricity Networks Limited

REQUIREMENTS FOR CONTRACTORS – BUSINESS ETHICS

1. SCOPE AND DEFINITIONS

For the purpose of the following requirements:

“**NIE Networks**” means Northern Ireland Electricity Networks Limited;

“**Requirements**” means the requirements for Third Parties as set out in this document; and

“**Third Party**” means (a) a contractor or supplier of goods and/or works or services (“**Services**”) to NIE Networks and (b) a sales agent, vendor, contractor, representative, advisor and other third party acting on behalf of NIE Networks and “**Third Parties**” shall be construed accordingly.

“**NIE Networks Personnel**” means employees, officers and directors of NIE Networks.

“**Government Official**” means:

- (i) any officer or employee of any state, provincial, county or municipal government or government department or agency;
- (ii) any officer or employee of any commercial enterprise that is owned or controlled by a government;
- (iii) any officer or employee of any public international organisation, such as the International Monetary Fund, the European Union and the World Bank; or
- (iv) any person acting in an official capacity for any government, agency, enterprise, or organisation, identified above

and, for the avoidance of doubt, includes government representatives, regulators (or their representatives), politicians or political parties.

“**Third Party Personnel**” means all persons (including sub-contractors of all tiers and their employees) employed or otherwise engaged by a Third Party in the provision of goods and/or Services to or on behalf of NIE Networks.

2. NIE NETWORKS CODE OF ETHICS

It is the policy of NIE Networks to conduct all of its business in an honest and ethical manner. All Third Parties doing business with NIE Networks shall conduct themselves at all times in accordance with the principles enshrined in the NIE Networks *Code of Ethics*, available on the NIE Networks website (www.nienetworks.co.uk).

3. ANTI BRIBERY AND CORRUPTION

The NIE Networks *Anti-Bribery and Corruption Policy* and its *Policy on Fraud and other related Unlawful Activities* prohibit any fraudulent activity including bribes, inducements or facilitation payments by NIE Networks Personnel and by Third Parties. These policies are available on the NIE Networks website (www.nienetworks.co.uk) and the requirements for Third Parties arising in connection with these documents are as follows:

3.1 General Anti-Corruption Requirements

It is the policy of NIE Networks that all Third Parties comply at all times with the Bribery Act 2010 to the extent applicable to their business operations and with all other applicable anti-corruption laws. Notwithstanding the generality of the foregoing, Third Parties shall not:

- (i) offer, pay, promise or authorize any bribe, inducement, facilitation payment or benefit of any kind to; or
- (ii) accept any bribe, inducement, facilitation payment or benefit of any kind from NIE Networks Personnel or any person or entity that has any business relationship with NIE Networks.

3.2 Bribery of Government Officials Strictly Prohibited

It is the policy of NIE Networks that Third Parties shall not make any payment, authorise, offer to pay or give anything of value to any Government Official to obtain or retain business, direct business to any person or gain any other improper commercial advantage. Examples of prohibited actions include:

- (i) Payment or offer of payment to influence a Government Official's decision to award a contract or other business opportunity to NIE Networks.
- (ii) Payment or offer of payment to influence a Government Official's decision to issue any government authorization or documentation, such as any approval, permit or licence;
- (iii) Payment or offer of payment to influence a Government Official's decision to relieve NIE Networks of otherwise required government obligations, such as paying taxes, passing inspections or obtaining required permits;
- (iv) Payment or offer of payment to a Government Official to influence legislation or any judicial proceedings;
- (v) Any of the above made indirectly.

3.3 Gifts, Hospitality and Entertainment

Gifts, hospitality and entertainment shall not be given, directly or indirectly, to Government Officials to improperly influence or reward an official act or decision or as an actual or intended *quid pro quo* for any benefit to NIE Networks. No payment or promise of payment for gifts, hospitality, or entertainment to any Government Official may be made by any Third Party on behalf of NIE Networks without the prior written approval of the Managing Director of NIE Networks.

3.4 Accurate Books and Records

It is the policy of NIE Networks that Third Parties shall keep accurate books and records, in reasonable detail, with respect to (a) all transactions carried out by such Third Parties that are related in any way to NIE Networks, (b) all work performed for or on behalf of NIE Networks, and (c) all payments made for or on behalf of NIE Networks.

3.5 Penalties and Remedies

NIE Networks and Third Parties may be subject to serious penalties for violations of applicable bribery and anti-corruption laws. NIE Networks may take any remedy available at law where a Third Party violates any part of these Requirements or applicable bribery and anti-corruption laws. If NIE Networks has reasonable grounds to believe that a Third Party has been engaged in any activity in violation of these Requirements, NIE Networks reserves the right to carry out an audit/investigation of the Third Party and/or suspend the payment(s) to the Third Party until NIE Networks has conclusively and satisfactorily confirmed that there has been no such infringement. Furthermore, in the event that a Third Party engages in any unlawful act or practice in connection with the subject matter of these Requirements and/or acts in violation of these Requirements NIE Networks shall (notwithstanding any other rights conferred by law or under these Requirements) have the right to terminate its agreement with such Third Party.

3.6 Reporting Requirements

Except to the extent explicitly prohibited by applicable law, Third Parties are required to report violations of the foregoing Requirements, applicable bribery and anti-corruption laws, or any requests for payments, gifts or other benefits by Government Officials. Violations should be reported to the Company Secretary, Northern Ireland Electricity Networks Limited, 120 Malone Road Belfast BT9 5HT or by email to ruth.conacher@nienetworks.co.uk

4. ANTI-SLAVERY AND HUMAN TRAFFICKING

NIE Networks has a zero-tolerance approach to Modern Slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure Modern Slavery is not taking place anywhere in our own business or in any of our supply chains.

4.1 Third Parties shall:

- 4.1.1 comply at all times with the Modern Slavery Act 2015 to the extent applicable to the business operations and conduct themselves at all times in accordance with the principles enshrined in the NIE Networks *Policy on Modern Slavery*, available on the NIE Networks website (www.nienetworks.co.uk);
- 4.1.2 provide NIE Networks with such supporting evidence of compliance as NIE Networks may reasonably request;
- 4.1.3 co-operate fully with NIE Networks and/or its appointed agent in any audit of compliance by them with the terms of this Section; and
- 4.1.4 except to the extent explicitly prohibited by applicable law, report violations of the Modern Slavery Act 2015 and/or the NIE Networks *Policy on Modern Slavery* to the Company

Secretary, Northern Ireland Electricity Networks Limited, 120 Malone Road Belfast BT9 5HT
or by email to ruth.conacher@nienetworks.co.uk.

- 4.2 If NIE Networks has reasonable grounds to believe that a Third Party has been engaged in any activity in violation of the requirements of this Section 4, NIE Networks reserves the right to carry out an audit/investigation of the Third Party and/or suspend the payment(s) to the Third Party until NIE Networks has conclusively and satisfactorily confirmed that there has been no such infringement. In the event that it is found that a Third Party has engaged in any such activity then NIE Networks shall (notwithstanding any other rights conferred by law or under these Requirements) have the right to terminate its agreement with such Third Party.

5. GENERAL

- 5.1 Third Parties shall at all times comply with all statutes, statutory instruments, regulations, bye-laws, rules and orders made under any statute or directive having the force of law which impose obligations on Third Parties in relation to Third Party Personnel in all jurisdictions in which goods and/or Services are provided, manufactured and/or assembled by such Third Parties to, for or on behalf of NIE Networks.
- 5.2 As a condition of any permitted subcontracting of the provision of goods and/or Services provided by a Third Party to any sub-contractor(s), Third Parties shall obtain the agreement in writing of such sub-contractor(s) to comply with the terms of these Requirements. Notwithstanding the foregoing, any act or omission by any such subcontractor(s) in breach of the terms of these Requirements shall be deemed a breach by the applicable Third Party for the purposes of sub-section D below.
- 5.3 Third Parties shall co-operate fully with NIE Networks and/or its appointed agent in auditing compliance by them (and/or their sub-contractors) with the terms of these Requirements. In all such audits, the onus shall be on the Third Party to demonstrate compliance with the terms of these Requirements and the applicable legislation. For the term for which Third Parties provide goods and/or Services to or on behalf of NIE Networks and for a period of one year thereafter Third Parties shall maintain full records of salaries and wages (and deductions therefrom) paid to Third Party Personnel and shall, upon request (and subject to compliance with applicable data protection laws), make copies of all such records available to NIE Networks or its agent. Third Parties shall, to the extent required under applicable law, obtain all necessary consents from Third Party Personnel to facilitate compliance by such Third Parties with the obligations set out in this sub-section C.
- 5.4 In the event of any breach by a Third Party of the terms of these Requirements, NIE Networks shall be entitled at its sole discretion to:
- 5.4.1 refuse to permit any such sub-contractor and/or Third Party Personnel from taking any further part in the provision of goods and/or Services for or on behalf of NIE Networks; and/or
 - 5.4.2 withhold payments due to the Third Party pending the resolution of any investigation into any alleged non-compliance with the terms of these Requirements; and/or

5.4.3 terminate NIE Networks' agreement(s) with the applicable Third Party with immediate effect and without any compensation payable to the Third Party (other than agreed payment for goods or Services already provided up to the date of such termination).

5.5 In addition to the remedies provided for in the foregoing clause, in the event of NIE Networks forming the view that a Third Party (or any of its sub-contractors) are in breach of any of the terms of these Requirements, NIE Networks shall be entitled to inform, and disclose all relevant information in its possession to, the competent authorities in any jurisdiction in which such breach is believed to be occurring.

5.6 In all cases the costs of compliance with the obligations set out in these Requirements shall be borne by the Third Party. Each Third Party shall indemnify and keep indemnified NIE Networks against any and all costs, losses, penalties, expenses (including without limitation legal costs), claims, actions, damages, liabilities, demands and proceedings which may be incurred by NIE Networks arising out of any breach by that Third Party of these Requirements.

6. FURTHER INFORMATION

Any questions about these Requirements should be directed to your NIE Networks contact or the Head of Procurement, Northern Ireland Electricity Networks Limited, 120 Malone Road, Belfast, BT9 5HT or by e-mail to paul.martin@nienetworks.co.uk.